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SUMMARY RECORD OF THE 21st MEETING

Chairman: Mr. KHAN (Pakistan)

later: Mr. RAICHEV (Vice-Chairman) (Bulgaria)

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The meeting was called to order at 10.15 a.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (*continued*) (A/C.2/49/L.11)

Draft resolution A/C.2/49/L.11: Question of declaring 1998 International Year of the Ocean

1. Mr. CATARINO (Portugal), stressing the importance which his country attached to the question, recalled that in December 1993, the General Conference of UNESCO, as a result of an initiative taken by Portugal, had adopted a resolution to proclaim 1998 International Year of the Ocean. Subsequently, the Economic and Social Council had adopted by consensus a resolution on that matter, requesting the General Assembly to consider proclaiming 1998 International Year of the Ocean at its forty-ninth session.

2. The oceans and seas had had and continued to have great significance in the history of civilization. More effective management of marine resources and more systematic observation of maritime and coastal phenomena could contribute to sustainable development.

3. As a part of the Year, Portugal would, in 1998, host an international exhibition, the theme of which would be "The Oceans, a Heritage for the Future".

4. He hoped that draft resolution A/C.2/49/L.11 would be adopted by consensus. He announced that Singapore had decided to co-sponsor the draft resolution, and pointed out that in the English text, the name of Maldives had appeared on the list of sponsors by mistake.

AGENDA ITEM 87: MACROECONOMIC POLICY QUESTIONS (*continued*) (A/C.2/49/L.7)

(d) NET TRANSFER OF RESOURCES BETWEEN DEVELOPING AND DEVELOPED COUNTRIES

Draft resolution A/C.2/49/L.7

5. Mr. AHMIA (Algeria) introduced draft resolution A/C.2/49/L.7 on behalf of the Group of 77 and China. He expressed the hope that the draft resolution would be adopted by consensus.

AGENDA ITEM 89: ENVIRONMENT AND SUSTAINABLE DEVELOPMENT (*continued*) (A/C.2/49/L.8)

(b) PROTECTION OF GLOBAL CLIMATE FOR PRESENT AND FUTURE GENERATIONS OF MANKIND (*continued*) (A/C.2/49/L.9)

Draft resolution A/C.2/49/L.8

6. Mr. AHMIA (Algeria) introduced draft resolution A/C.2/49/L.8 on behalf of the Group of 77 and China. He expressed the hope that the draft resolution would be adopted by consensus.

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Draft resolution A/C.2/49/L.9

7. Mr. AHMIA (Algeria) introduced draft resolution A/C.2/49/L.9 on behalf of the Group of 77 and China. He expressed the hope that the text would be adopted by consensus.

AGENDA ITEM 88: SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued) (A/49/204-E/1994/90, A/49/205-E/1994/91, A/49/229, A/49/256, A/49/307, A/49/378, A/49/381, A/49/395, A/49/412-S/1994/1078, A/49/422-S/1994/1086, A/49/424 and Add.1, A/49/479, A/49/493-S/1994/1142, A/49/506, A/49/541)

(a) TRADE AND DEVELOPMENT (A/49/15 (vols. I and II), A/49/227 and Add.1 and 2, A/49/228-S/1994/827, A/49/277, A/49/363)

(b) FOOD AND AGRICULTURAL DEVELOPMENT (A/49/438, A/49/507)

(c) COMMODITIES (A/49/226, A/49/228-S/1994/827, A/49/287-S/1994/894 and Corr.1)

(d) CULTURAL DEVELOPMENT (A/49/159-E/1994/62 and Add.1 and 2)

(e) INTEGRATION OF THE ECONOMIES IN TRANSITION INTO THE WORLD ECONOMY (A/49/330)

(f) INDUSTRIAL DEVELOPMENT COOPERATION (A/49/347, A/49/372)

(g) UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS (HABITAT II) (A/49/37, Supplement No. 37, A/49/272, A/49/640)

(h) INTERNATIONAL COOPERATION FOR THE ERADICATION OF POVERTY IN DEVELOPING COUNTRIES (A/49/572)

(i) UNITED NATIONS INITIATIVE ON OPPORTUNITY AND PARTICIPATION (A/49/287-S/1994/894 and Corr.1, A/49/541)

8. Mr. NEIL (Trade and Development Board) presented the report of the Trade and Development Board (A/49/15). The Board had conducted an evaluation of the intergovernmental machinery of UNCTAD, which had indicated that the reforms adopted at the eighth session of UNCTAD had resulted in a distinct improvement in the way in which UNCTAD conducted its business. That was largely due to the close collaboration between the UNCTAD secretariat and delegations.

9. The principal agenda item of the forty-first session of the Board had been "International implications of macroeconomic policies and issues concerning interdependence: elements of successful growth and adjustment strategies". The Board had pointed out that East Asian development did not provide a simplistic recipe for all countries or regions, and had recognized that developed market economies should cooperate in order to achieve non-inflationary growth. Despite some satisfactory results, it was clear that developing countries, especially

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those in Africa, still faced unresolved problems caused by such factors as debt, disasters and inadequate endowments of human and natural resources.

10. Where sustainable development was concerned, the Board had recognized the importance of the internalization of external environmental costs. While environmental standards and regulations were tending to become more stringent and more comprehensive, they should not be used as disguised protectionist measures. There was a need to analyse newly emerging environmental issues and to place the debate on process standards in the wider context of sustainable development. UNCTAD had a particularly important role to play in that regard.

11. In its analysis and assessment of the outcome of the Uruguay Round, the Board had focused attention on the problems of developing countries and economies in transition. In seeking to define the new role of UNCTAD in the post-Uruguay-Round international trading system as well as its relationship with the World Trade Organization (WTO), the Board had come to the following agreed conclusions: (1) UNCTAD must continue the background work and consensus-building on trade and economic policy issues before they became the subject of negotiations in WTO; (2) developing countries must be able to participate actively in the work of WTO; it was equally important to establish a fruitful division of labour between UNCTAD, WTO and the International Trade Centre (ITC); (3) developing countries, especially the least developed ones, should be assisted to take advantage of the new opportunities and to meet the new challenges. The Board took note of the specific problems of the least developed countries and suggested that they could benefit from a "safety net" which would assist them in dealing with the transitional cost of the adjustment.

12. The Board had also considered the issues involved in increased participation of developing countries and economies in transition in international trade in goods and services. UNCTAD should continue to facilitate the integration of those countries into the world economy by promoting intergovernmental consultations and identifying new opportunities for trade, investment and technological cooperation between developing countries and economies in transition.

13. Where progress in the implementation of the Programme of Action for Least Developed Countries (LDCs) for the 1990s was concerned, the Board had reached agreed conclusions on human capacity-building in least developed countries, adjustment and policy reforms, official development assistance and debt and external trade. In its decision concerning the High-level Intergovernmental Meeting on the Mid-term Global Review of the Programme of Action for the Least Developed Countries for the 1990s, the Board had recommended that the High-level Meeting should be held from 26 September to 6 October 1995 and that it should be preceded by a preparatory meeting of governmental experts as well as by regional, sectoral and inter-agency meetings. With respect to investment promotion, foreign direct investment and transfer of technology to Africa, the international community should assist African countries to disseminate information on investment opportunities in Africa.

14. The Board had also requested the UNCTAD secretariat to propose ways and means of creating a sound business environment in Africa and to disseminate information on trade and investment opportunities.

15. The Board's deliberations on UNCTAD assistance to the Palestinian people had highlighted the satisfactory developments in the situation.

16. Finally, the Trade and Development Board had organized during the year, a series of events to celebrate the thirtieth anniversary of UNCTAD, and it had adopted a declaration on that occasion.

17. Mr. FORTIN (United Nations Conference on Trade and Development) said that although the performance of developing countries had been uneven, it had been relatively strong, and that economic activity in the industrialized countries might improve in 1994. Taking into account the progress in the economies in transition, the world economy should grow by 2.5 per cent in 1994. However, unemployment rates in developed countries, with the exception of the United States of America, remained extremely high.

18. In its report, the Trade and Development Board felt that adjustments in monetary policy would not be sufficient to tackle the cause of the slow-down in growth, namely, persistently insufficient demand. That did not imply that supply responses or inflation should be neglected. Macroeconomic policies should be balanced, pragmatic and non-ideological, and unemployment levels needed to be taken into account in the design of monetary and fiscal policies.

19. In the immediate future, investment policy in Japan should aim at increasing the share of consumption in national income. Western Europe too needed to increase domestic demand by bringing down interest rates substantially while avoiding premature fiscal contraction. For its part, the United States of America needed to apply a cautious monetary policy so as not to stifle the recovery of investment and employment. African economic recovery and development would require a major inflow of resources and an easing of the external debt burden.

20. The changed approach to economic policy in the 1980s had affected development strategies; the Trade and Development Board felt, however, that the pendulum had swung too far. The experience of some countries that had achieved extremely encouraging results demonstrated that government intervention could be extremely effective. In those countries (Japan, the Republic of Korea and the Chinese province of Taiwan), the Governments had sought to promote the growth of an efficient and competitive private sector. They had liberalized specific industries as they became internationally competitive. Foreign direct investment had been restricted to carefully selected sectors. The diversity of markets showed that there were several development strategies, depending on time and place.

21. The successful conclusion of the Uruguay Round should strengthen the multilateral trading system by establishing more detailed rules; rules had been established for intellectual property and trade in services, and free

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multilateral trade had benefited from tariff liberalization; the discriminatory aspects of regional trade agreements had been reduced.

22. However, some qualifications were in order: certain provisions in the agreements provided for special safeguard mechanisms and discriminatory actions which could lead to abuse and mitigate the trade-liberalizing impact of the agreements. Moreover, tariff reductions on key products of export-interest to developing countries had been considerably less than the general norm, although those countries had accepted a dramatic increase in the level of their multilateral trade obligations. He wondered to what extent the discipline that developing countries had accepted would constrain their ability to emulate some of the successful policies followed by other countries, especially those of East Asia. Many countries were also confronted with the erosion of preferential tariff margins, while they could be expected to incur higher costs for imported foodstuffs. Therefore, broader "safety nets" should be provided for those countries.

23. The Trade and Development Board had also defined further the role of UNCTAD in the international trading system in the aftermath of the Uruguay Round as well as its relations with WTO. UNCTAD could provide technical assistance in the many areas where it had expertise, namely, trade and competition policy, trade and environment, regionalism and mechanisms for the compensation of erosion of preferences.

24. The United Nations International Symposium on Trade Efficiency had been a major success. The Symposium's Ministerial Declaration and recommendations should facilitate trade by vastly reducing trade transaction costs (by US$ 100 billion per year as early as the year 2000) and increasing trading opportunities particularly for small- and medium-sized enterprises in developing countries.

25. In the declaration adopted on the occasion of the thirtieth anniversary of UNCTAD, Member States had outlined the future orientations of the organization's work. They had stressed, inter alia, that the phenomenon of globalization required the attention of the international community. Indeed, by accentuating the interdependence among nations and sectors of the world economy, globalization presented both new challenges and new opportunities for nation States and the international community. However, some of the factors arising from those processes might accentuate the trend towards a world economy in which a large number of developing countries would be unable to keep pace and might continue to be locked in a vicious circle of poverty, underdevelopment and environmental degradation.

26. Ms. ARIZPE (UNESCO) said that development planning should take account of pre-existing cultural relationships and values. An integrated approach was needed that combined the values implicit in market-oriented policies with traditional values of social exchange. At the same time, human resources and institutional capabilities should be enhanced in such a way as to turn the cultural sector into a development asset.

27. The secretariat of the World Decade for Cultural Development had registered more than 2,100 Decade projects, 325 of which had received financial support from UNESCO. The themes that had been chosen testified to the great variety and rich substance of the activities undertaken. In many cases, culture was associated with a particular aspect of development, such as education, environment, habitat or health. Some projects dealt with cultural information systems and others with traditional cultural heritage.

28. The Intergovernmental Committee considered that substantial progress had been made in 1992-1993, particularly through the creation of the World Commission on Culture and Development under the chairmanship of Mr. Javier Pérez de Cuellar, the completion of the first phase of the project aimed at establishing a methodology for integrating cultural factors into development programmes and projects, and the launching of several new regional projects of an interdisciplinary nature.

29. In the context of the mid-term evaluation of the Decade, the Intergovernmental Committee had assessed the results obtained and drawn up plans for the remainder of the Decade. Five priority fields of action had been approved: the cultural dimension of development; culture and sustainability; culture, tourism and development; cultural pluralism; and investing in culture.

30. The Intergovernmental Committee for the Decade had welcomed the increased participation of organizations of the United Nations system, but was hoping for a stronger commitment, particularly by those working in the fields of health, housing, agriculture and small-scale business. It also wished to see Member States playing a more active role, a development that would be facilitated by the growing awareness in the international community of the risks of social and cultural imbalances inherent in a development model based exclusively on economic growth. The Inter-Agency Steering Committee had urged the specialized agencies to prepare inter-agency projects and to give Decade themes more prominence in the preparations for the forthcoming summits to be held within the United Nations system. The United Nations Conference on Environment and Development had shown that traditional cultures possessed a large store of knowledge and skills that could contribute to sustainable development, and the Cairo International Conference on Population and Development had illustrated the key role played by cultural issues in the search for development paths that were compatible with stable demographic growth. The forthcoming World Summit for Social Development would also provide an opportunity to draw attention to the similarities between social and cultural issues. Lastly, a number of activities relating to the World Decade for Cultural Development would be proposed for the Fourth World Conference on Women and the United Nations Conference on Human Settlements (Habitat II).

31. Mr. OSSA (Director, Macroeconomic and Social Policy Analysis Division) noted that the economic performance of the countries in transition had varied considerably. The efforts of the international community to assist them had not yet produced the expected results. Growth had resumed in countries in which the process had been under way for a longer period, and a significant improvement in their economic situation was expected in 1995. In many cases, containment of

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inflation was part and parcel of reforms aimed at strengthening fiscal and monetary discipline.

32. A large number of bilateral and multilateral bodies, in particular those of the United Nations system, were providing international assistance to the economies in transition, and although progress had been made in 1993-1994, there was a need for further harmonization and coordination among all actors. The assistance provided by the United Nations system fell into two categories: technical assistance, in conjunction with sizeable financial transfers, and the provision of information and knowledge on virtually all aspects of development. The Administrative Committee on Coordination considered it essential to strengthen inter-agency coordination in resource mobilization and the delivery of assistance. At United Nations Headquarters, the Department for Economic and Social Information and Policy Analysis and the Department for Development Support and Management Services would ensure the linkage and flow of information concerning country and regional programme activities and global programmes. In addition, it was important to enhance the capacity of the Economic Commission for Europe and the Economic and Social Commission for Asia and the Pacific in order to facilitate cooperation and coordinate assistance activities in the regions concerned. At the country level, the coordinating role belonged to the resident coordinator. In that connection, the Secretary-General had recently asked the Administrator of UNDP for his assistance in the matter.

33. Integration of the countries in transition into the world economy depended in large measure on developments in their trading and financial links and changes in the communication and transport infrastructure and technology. United Nations studies had also shown that the resumption of economic activity, especially in Western Europe, increased investment flows and improved access to markets could speed up the process of integration. The cooperation agreements recently signed by several transition economies with the European Union and the European Free Trade Association should prove useful in that respect. Trade between the developing countries and most countries in transition should also be developed.

34. Trade and cooperation among countries in transition should not be neglected. They were particularly important for the member States of the Commonwealth of Independent States which, for the time being, had limited possibilities for establishing free trade agreements with Western European integration organizations. On a global scale, the conclusion of the Uruguay Round should facilitate the integration of the countries in transition into the world economy, especially by strengthening trade links.

35. Mr. CAMARA (Food and Agriculture Organization of the United Nations), introducing the report on emergency action to combat locust infestation in Africa (A/49/507) submitted in accordance with General Assembly resolution 48/20, said that following the adoption of the resolution, meetings had been convened at FAO headquarters to coordinate action to combat locust infestation and to solicit support from international donors.

36. FAO estimated that about US$ 40 million had been provided in emergency assistance in 1992-1994; in addition, FAO had spent about US$ 3.4 million from

its regular budget to finance locust control campaigns, which had begun in late 1992 in East Africa and the Near East and had ended in mid-1993. In South-West Asia, a successful campaign had been carried out in India and Pakistan between July and November 1993.

37. The recommendations adopted at the ad hoc FAO meeting and those proposed at the meeting of ministers of agriculture of the Maghreb countries had been implemented by the countries concerned and by regional organizations, with FAO support. In West and North-West Africa, the campaigns had been coordinated at the international level by regional organizations, FAO and donors.

38. Following invasions of the desert locust in West Africa, control operations had been launched in Mauritania in October 1993. In July and August 1994, the situation in that region seemed to have been brought under control, but locust swarms had been reported in West Africa at the end of September 1994. In Morocco and Algeria, control operations begun in February 1994 had been successfully concluded in July 1994. In Senegal, the campaigns had significantly reduced locust population levels, although some small swarms had moved to the Gambia, Guinea-Bissau and Cape Verde and later to Guinea.

39. With regard to the emergency prevention system (EMPRES) for transboundary animal and plant pests and diseases, a meeting of donors would be held in Rome in December 1994. The work plan for 1994 and 1995 included five major areas of activity: assistance to member Governments; establishment of a locust forecasting and coordination unit in the Red Sea area; support for survey work in West Africa; assessment and forecasting; and support for the countries of South-West Asia.

40. Mr. RUFFING (Department for Policy Coordination and Sustainable Development) introduced a note by the Secretariat entitled "Sustainable development and international economic cooperation: United Nations initiative on opportunity and participation" (A/49/541), submitted pursuant to General Assembly resolution 48/60. Papua New Guinea had provided the first instalment of a pledged contribution, followed by the Federated States of Micronesia. The Secretariat had compiled a provisional list of themes for the papers to be prepared by experts for consideration by the panel. Document A/49/541 contained a proposed timetable for implementation of resolution 48/60.

41. Mr. KRASSOWSKI (Department for Policy Coordination and Sustainable Development), introducing agenda item 88 (h), entitled "Sustainable development and international economic cooperation: international cooperation for the eradication of poverty in developing countries", said that the United Nations system had sought to address poverty as a major concern from its very inception, whether by seeking to empower individuals to help themselves to achieve a better life or by attempting to overcome structural barriers to the eradication of poverty at the local, global, social or economic level. Extensive documentation had been prepared for the World Summit for Social Development being convened in Copenhagen in 1995. Poverty remained the major social ill on the global scale. The gravity and entrenched nature of the problem had been recognized again in the choice of poverty eradication as one of three core issues to be addressed by the World Summit, and in the decision of the General Assembly to designate 1996

as International Year for the Eradication of Poverty. A summary of preparations for the Year could be found in document A/49/572, which included a timetable for preparing the programme of activities and consultations with Governments and relevant organizations. Primary consultations should be conducted within the framework of regularly scheduled meetings of the General Assembly and the Economic and Social Council and its subsidiary bodies. The anticipated activities would build on the experience already gained and on the substantive work currently under way in the context of major international conferences being convened in 1994 and 1995, particularly the Programme of Action of the World Summit for Social Development. Since poverty was multidimensional and its elimination called for a multisectoral and comprehensive approach, a number of themes could be highlighted for the Year.

42. Mr. LAMAMRA (Algeria), speaking on behalf of the Group of 77 and China, said that the international community should devote itself to seeking a comprehensive solution to the closely linked problems of trade, raw materials, agriculture and the fight against poverty and the various ills afflicting developing countries which threatened their social and political stability and, in some cases, their very existence. To that end, genuine dialogue in a spirit of partnership was needed between North and South.

43. The Final Act of the Uruguay trade negotiations, signed at Marrakesh, had put an end to more than seven years of long and laborious talks. Although developing countries had made major contributions to the success of the negotiating process, it was to be feared, in the short term at least, that the advantages engendered by the new multilateral trade rules would benefit the industrialized countries most of all. The consequences that the new trade opportunities could have for developing countries had little to do with the additional obligations they had undertaken, particularly in areas regulated by the new multilateral disciplines relating to services, foreign investment, and property rights. African countries as a whole ran the risk of sustaining annual losses estimated at $2.6 billion. Furthermore, the developed countries wished to introduce clauses with a social or environmental orientation containing the seeds of a new protectionism. Developing countries were right to be concerned.

44. There could be no doubt that developing countries favoured a free and transparent multilateral trade system, but specific measures would have to be taken to remove all obstacles to the establishment of just and equitable trade flows. To that end, it was necessary to repair the mechanisms that favoured unequal trading terms, inadequate remuneration for commodities, unwarranted protection of markets and obstacles to the transfer of technology. It would be advisable to rapidly implement agreed compensatory measures for the benefit of countries which might suffer as a result of the disintegration of the system of preferences. Such a measure would be a test of the good will of the major players in international trade. The United Nations Conference on Trade and Development, which had acted as a traditional dispenser of technical assistance, a framework for policy analysis and a forum for intergovernmental deliberations and consensus-building, had a major role to play in that context. It should therefore work closely with the future World Trade Organization on the basis of complementarity. The Organization should assume the role of impartial arbiter and set itself the goal of establishing an international trade system free from

all discriminatory practices. Its dispute-settlement mechanism should lead to rapid elimination of unilateral practices.

45. Many developing countries were dependent on exports of commodities whose prices had continued to fall on world markets. The recent turn-around in that trend seemed due to speculation because, according to long-term forecasts, prices would remain weak. The international community had to come up with a comprehensive commodities strategy to stabilize a market where supply outstripped demand, by stimulating demand and thus establishing conditions for surpluses to be absorbed, and by ensuring better access to markets for developing countries' raw materials and eliminating practices such as agricultural subsidies and customs protection. Such a strategy would also aim to stabilize production of commodities in developing countries in relation to the capacity of the markets to absorb them, so as to avoid a slump in prices, while at the same time pursuing a horizontal and vertical diversification policy for their economies. In the longer term, the question of raw materials should be considered from the point of view of increasing the potential for self-financing in the development of third world countries, which would necessitate a rapid solution to the problem of those countries' foreign debts. Injections of State and private capital into developing countries had to be boosted in order to make them less dependent on raw materials as a means of increasing their foreign currency reserves.

46. History had witnessed many terrible famines, but it was intolerable that at the present time, despite the advances made in science and technology, some 18 million people should perish every year and over 800 million should suffer from starvation and malnutrition when enough food was available to feed all of mankind adequately. The situation was worst in Africa. Even after the terrible droughts of 1973-1974 and 1983-1984, which had caused countless deaths and destroyed the socio-economic fabric in a number of countries, starvation was still decimating the populations of vast areas. The international community had rejected that unjustified mortality rate by enshrining the concept of food security for all as a basic principle of international action and as a goal to be achieved at the earliest possible opportunity through a general mobilization of resources. That goal was not out of reach. The green revolution was a hopeful sign for the 45 countries - 30 of which were located in Africa - where the Food and Agriculture Organization of the United Nations (FAO) reported that the food situation was still precarious or critical. Increased international support should help those countries to achieve food self-sufficiency. It was important to develop production, retail and storage infrastructures and management skills, and make the best use of human resources.

47. Instead of using the right to food as an instrument of political or economic pressure, it was important to expand cooperation. The Second Committee should support the proposal by the Director-General of FAO to convene a world food summit.

48. The World Summit for Social Development in Copenhagen would provide the opportunity to tackle the various causes of social tension and disintegration, and to work out a Programme of Action to ensure greater harmony within and between nations. The elimination of poverty would figure prominently in that

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joint undertaking. The Summit should adopt a strategy to combat poverty, based at the national level on a more equitable distribution of income, greater integration of marginalized groups and access by all to public services such as education, health and housing; at the international level, the strategy should take as its starting-point measures to stimulate economic growth and create the wealth that was essential to eliminate poverty and unemployment.

49. Regarding other matters, he noted that the question of the direction of the United Nations Centre for Human Settlements (Habitat) had not been settled. Resolution 48/176, which requested the Secretary-General to ensure that the direction of that body and its management were kept separate from those of the United Nations Environment Programme, had not been put into effect. That omission could have repercussions on the preparations for the United Nations Conference on Human Settlements (Habitat II).

50. Industrialization was an essential tool for promoting and accelerating growth. It was therefore imperative that the international community should consolidate the resources placed at the disposal of the United Nations Industrial Development Organization.

51. Mr. HENZE (Germany), speaking on behalf of the European Union, said that extreme poverty in developing countries was still one of the major problems of the world, despite development policies and development aid through bilateral and multilateral programmes. In some countries, especially in the East Asian region, economic growth had led to a rise in living standards and a reduction of poverty, but other regions, especially Africa, were still far away from the aim of eradicating poverty. Poverty reduction was closely related to other important development policies which had been or would be discussed at world conferences. The Copenhagen Summit would constitute a unique opportunity for the world's political leaders to outline strategies for the eradication of poverty in developing countries. Ambitious and broadly based development policies were imperative. Structural changes and macroeconomic adjustment policies were as important as the development of human resources. As poverty was often accompanied by unemployment, malnutrition, low status of women, environmental degradation and limited access to health services, an integrated approach was necessary. The major goal was to strive to develop the creative and productive potential of the poor and the underprivileged, especially of women. As poverty was both a material and an immaterial disadvantage, the aim should be to raise income and to promote the development of the full potential of the individual and the participation of the underprivileged in social, political and economic decisions. All measures which contributed to productive employment should be supported. The establishment of social nets was important to prevent poverty.

52. While development aid remained important, each State bore primary responsibility for its own development and the eradication of poverty among its people. Aid could be effective only if projects were supported by pragmatic social, political and economic policies and structural reforms. Both industrialized and developing countries must therefore cooperate closely to set forth strategies for the eradication of poverty according to the particular circumstances of each country.

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53. The European Union attached great importance to the goals of the Habitat II Conference, which would address one of the most pressing issues for the future of the planet: the rapid growth of cities and its effects on social and environmental stability in the world of the twenty-first century. That implied economic and technical challenges, as well as the question of the organization of social life. Habitat II should advance the objectives of agenda 21 in the area of human settlements. The European Union supported the holding of a third session of the Preparatory Committee early in 1996, provided that it was of short duration and existing resources permitted.

54. The conclusion of the Uruguay Round of multilateral trade negotiations was an important step in the establishment of an open trading system and should lead to enhanced growth of the world economy through generally improved market access. The recent recovery in commodity prices should provide an impetus to the growth of developing countries, but they must continue to diversify their economies. Neither diversification nor the creation of intersectoral linkages, however, were goals in themselves. What counted was an economic and structural policy fostering the private sector, particularly small- and medium-sized firms, which would create the conditions for economic viability, comparative advantage and competitiveness. The participation of the poorest could make an important contribution to the full development and use of a country's resources.

55. The improvement of industrial development cooperation should be continued in a climate favourable to investment and private sector initiative. At the same time, the poorest must be integrated into the development process, especially by decentralizing financial structures in order to mobilize the resources necessary for industrial development, especially for the promotion of small industries. At its fifth General Conference, the United Nations Industrial Development Organization (UNIDO) had redefined its priorities, with industrial policy as an integral part of a process of sustainable human development. However, much remained to be done in order to make industrial development and cooperation lasting and sustainable. There were problems apparent in the implementation of the programme for the Second Industrial Development Decade for Africa.

56. The European Union, as the world's largest donor, assisted developing countries in their reforms. Under the Fourth Lomé Convention, assistance in various forms was provided for 70 signatory States.

57. The integration of the countries with economies in transition into the world economy was of special concern to the European Union. It would continue to support the necessary economic reforms in the States of Central and Eastern Europe and the Commonwealth of Independent States (CIS) through technical and financial assistance and by improving market access. The Economic Commission for Europe should continue, within its mandate, to provide special assistance to the countries in transition.

Mr. Raichev (Bulgaria), Vice-Chairman, took the Chair.

58. Mr. SMIRNOV (Russian Federation) said that the countries in transition were experiencing serious difficulties and the bilateral, regional and multilateral

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assistance they had received had not yet produced the expected results, for the transition to the market economy had proved to be much more complex than predicted, especially in most of the countries of the former Soviet Union. As the Secretary-General had noted in his report (A/49/330), capital flows had dropped sharply in 1992 as compared with the previous year and the net transfer of resources had been negative in 1991-1992; it had remained negative for the Russian Federation in 1993. Moreover, the countries in transition still had little access to capital markets and foreign direct investment continued to play a minimal role in their economies. Due to their efforts, however, the results of the economic reforms could already be perceived at the macroeconomic level.

59. The measures taken by the Russian Federation had three objectives: to complete the establishment of a stable legal framework, to offer effective banking and financial services in accordance with international standards and to create favourable conditions for the activity of its foreign partners, particularly by ensuring their physical security. The dynamism of internal economic processes had yielded some notable results: the fall of the rouble had been halted, the Government had issued an economic policy memorandum announcing a sharp reduction in subsidies, particularly to the mining industry, a bankruptcy procedure for indebted State enterprises and the launching of a programme of selective State aid to the most dynamic sectors of industry. Lastly, at the CIS summit meeting, the interest expressed in resumption of the integration process had resulted in the decision to establish an inter-State economic committee and to form a payment union.

60. Access to world markets without discrimination for exports of the Russian Federation and other countries in transition was essential to the success of the reforms. However, despite definite progress following the signing of agreements with the European Union and the European Free Trade Association, the losses experienced by exporters in the Russian Federation and other countries in transition had reached several billion dollars.

61. The international economic policy climate had improved greatly. The conclusion of the Uruguay Round negotiations and the forthcoming establishment of the World Trade Organization opened up the prospect of an orderly development of global economic relations. The Russian Federation, which had observer status in GATT, had begun the procedures for full membership. United Nations bodies, UNCTAD in particular, must support the States concerned, both in negotiations and in respect of their new obligations within the framework of the World Trade Organization. In that connection, he drew attention to the conclusions offered by the Secretary-General in his report on that subject (A/49/363).

62. To the Russian Federation, the liberalization of foreign trade was in the interest of all countries without exception. For that reason, together with the States of CIS and Central and Eastern Europe, it favoured the adoption of a resolution recognizing both the legitimate interests of developing countries and the particular problems and needs of the countries in transition. First, it was important to improve access to world markets for the exports of the countries in transition, particularly through improvement of the terms of trade at the bilateral and multilateral levels, liberalization of trade regimes and elimination of discriminatory tariffs and non-tariff restrictions. Economic and

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trade relations must also be developed among the countries in transition and between those countries and the developing countries. Lastly, United Nations bodies should support the countries in transition in their integration into the world economy and into multilateral organizations.

63. The Russian Federation attached the greatest importance to the strengthening of United Nations activities for the integration of the countries in transition into the world economy, especially on the level of analysis and advisory services. The Secretary-General had rightly noted the need to strengthen coordination of the activities of United Nations bodies relating to assistance to the countries in transition. Indeed, it was unclear which office of the Secretariat had responsibility in the matter, and efforts to mobilize extrabudgetary resources were weak. Under the circumstances, the holding, under United Nations auspices, of the conferences proposed by the Russian Federation and Belarus would be very useful.

64. Mr. SARDENBERG (Brazil), speaking also on behalf of States members of the Rio Group (Argentina, Bolivia, Chile, Colombia, Ecuador, Guatemala, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela), stressed that trade liberalization was a mainspring for development. For that reason, over the last 10 years, an increasing number of developing countries had adopted trade liberalization policies, demonstrating their confidence in the multilateral trade system. Despite some imbalances, the Marrakesh Agreements certainly marked a milestone in the evolution of international economic relations that could stimulate the international flow of goods, services and capital for the benefit of all countries. The task was far from being completed, however. A transparent and effective mechanism for the settlement of disputes must be established and immediate action must be taken to assist developing countries in adapting to the new regimes, especially through training and the strengthening of national institutions.

65. Recent attempts to discuss such important issues as environmental regulations and labour standards with an approach that could give rise to new forms of protectionism were worrisome and were not conducive to continued trade liberalization or to the solution of relevant issues. On the contrary, those new forms of protectionism could lead to more unemployment and greater flows of migration. World economic growth, although steady, did not meet the expectations of the developing countries and did not alleviate unemployment in industrialized countries. For that reason, it was necessary to formulate a new paradigm of development that left no room for confrontation and which recognized that developing countries were playing an increasingly important role in the world economy, and that the social, economic and technical progress of developing countries would not come at the expense of the industrialized world. The United Nations Conference on Trade and Development, which was an extremely useful forum of analysis, exchange of experience, cooperation and negotiation, would have a major role to play in that regard.

66. The second United Nations Conference on Human Settlements, which would be held in 1996, should address the problems of cities and rural settlements in a comprehensive manner, integrating the issues of shelter, transport, sanitation, health and education. It was regrettable that resources for the preparations

for the Conference were still insufficient. Poverty eradication and food security were priority issues in the domestic policies of the States members of the Rio Group. The World Summit for Social Development would provide an opportunity to ensure that the issue of poverty eradication was considered as a priority.

67. Mr. AZZAIEZ (Tunisia) said that the question of trade and development made it possible to deal with trade flows from the standpoint of development. The Marrakesh Agreements, the outcome of the laborious process of multilateral trade negotiations, should be considered in that context. Those Agreements heralded the coming of a new era, in which all contracting parties would enjoy equal treatment in a more open, transparent and predictable international market.

68. Aware of the high stakes involved, Tunisia had undertaken a far-reaching economic reform programme with the objective of strengthening its capacities in the face of international competition, in particular through partnership programmes, the convertibility of the dinar, the creation of free zones and the promulgation of a special code to stimulate investments.

69. While reaffirming its support for the World Trade Organization, his delegation considered that its partners should not lose sight of the legitimate interests of the developing countries with respect to the stability of exchange rates, the non-use of restrictive trade practices linked with environmental protection, and the adoption of an integrated global approach to trade problems, which should be managed in a spirit of solidarity in the interest of all parties concerned. In order to build new trade relations conducive to the constant improvement of the standard of living of each individual, it was necessary to consider all the factors involved in the cost of production, regardless of whether they affected the countries of the North or those of the South.

70. In that regard, his delegation was concerned at the fact that Africa's participation in international trade had continued to decline. Moreover, the economic indicators did not leave very much hope for a considerable improvement in the short term. In such conditions, the system of competition that had been the outcome of the Uruguay Round was likely to penalize the African countries even more in the years to come. That was why it was necessary to form an economic partnership that could put Africa on the road to economic recovery. At the Conference of African Ministers of Trade, at Tunis from 24 to 27 October 1994, the African countries had reaffirmed their interest in integrating their economies into the world economy. They had also defined their needs in the field of technical and financial assistance. Assistance should take the form of debt-alleviation measures that would enable the African countries to withstand tougher competition. In addition, the international community would have to provide financial resources to strengthen production capacities. The Tunis Conference had appealed to the industrialized countries and the international financial institutions to provide the African countries with the assistance necessary for their implementation of the Marrakesh Agreements.

71. At the multilateral level, the industrialized countries should bear in mind Africa's special situation and ensure the success of the African countries' development plans.

72. Mr. LOPEZ (Colombia) said that the liberalization of trade was one of the pillars of international economic cooperation. While the conclusion of the Uruguay Round of multilateral trade negotiations was undoubtedly an important achievement, it was only the starting-point for the establishment of a truly open, multilateral, universal and equitable trading system, since it was only in such conditions that the Marrakesh Agreements could be fully implemented.

73. His delegation was also concerned at the tendency to introduce new trade restrictions, particularly in the form of environmental and social clauses. In conjunction with protectionist practices that took the form of anti-dumping measures and countervailing duties, that practice distorted the multilateral trading system and might thwart the developing countries' efforts to gain free access to international markets. Such new protectionism might have irreversible economic and social consequences.

74. The new World Trade Organization would, from its inception, be faced with a difficult task. It would have to work impartially to eliminate discriminatory practices that prevented the developing countries from taking full advantage of their resources and potential. The transition to the new world trading system should be made smoothly. The obligations arising from the current system should be respected until the entry into force of the new agreements in order to avoid a new outbreak of trade tensions like those that had become evident after the conclusion of the Uruguay Round. Relations between the World Trade Organization and the United Nations should be clearly defined. The implementation of the Marrakesh Agreements should not diminish the role of the United Nations.

75. His delegation was very interested in the eradication of poverty. The World Summit for Social Development would provide the international community with a historic opportunity to make clear commitments and adopt specific measures to combat the scourge of poverty effectively. The United Nations should identify not only the social but also the economic causes of the impoverishment of the developing world. An economic mechanism should be developed to put an end to that situation. The only way to obtain positive results was to open markets to developing countries' products, solve the external debt problem and increase financial resources for development.

76. At the same time, the economic reforms inspired by international organizations should give increasing priority to the social dimension of development. The multilateral financial institutions had an important role to play in that regard and they should change their policies.

77. The gulf between the rich and poor countries had widened. Three quarters of the income went to 17 per cent of the world's population living in the developed countries, while 1.2 billion people had to contend daily with the problem of poverty and 800 million people suffered from malnutrition. The international community should take resolute steps to change that situation. It was only when development was centred on the human being and the economy was

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based on solidarity that hope could be reborn and democratic systems could be based on true justice and freedom.

The meeting rose at 1.15 p.m.

UNITED NATIONS
General Assembly
FORTY-NINTH SESSION
Official Records

SECOND COMMITTEE
22nd meeting
held on
Thursday, 10 November 1994
at 3 p.m.
New York

SUMMARY RECORD OF THE 22nd MEETING

Chairman: Mr. KHAN (Pakistan)

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The meeting was called to order at 3.15 p.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued) (A/C.2/49/L.15)

1. Mr. AWAAD (Egypt) introduced draft resolution A/C.2/49/L.15 entitled "Economic and social repercussions of the Israeli settlements on the Palestinian people in the Palestinian territory, including Jerusalem, occupied since 1967, and on the Arab population of the Syrian Golan".

AGENDA ITEM 87: MACROECONOMIC POLICY QUESTIONS (continued)

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2. Mr. AHMIA (Algeria) introduced draft resolution A/C.2/49/L.12 entitled "Enhanced international cooperation towards a durable solution to the external debt problem of developing countries".

AGENDA ITEM 89: ENVIRONMENT AND SUSTAINABLE DEVELOPMENT (continued)

(d) ELABORATION OF AN INTERNATIONAL CONVENTION TO COMBAT DESERTIFICATION IN THOSE COUNTRIES EXPERIENCING SERIOUS DROUGHT AND/OR DESERTIFICATION, PARTICULARLY IN AFRICA (continued) (A/C.2/49/L.13)

3. Mr. AHMIA (Algeria) introduced draft resolution A/C.2/49/L.13, noting that it was purely procedural and that the sponsors urged its adoption by consensus.

AGENDA ITEM 88: SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued) A/49/204-E/1994/90, A/49/205-E/1994/91, A/49/229, A/49/256, A/49/307, A/49/378, A/49/381, A/49/395, A/49/412-S/1994/1078, A/49/422-S/1994/1086, A/49/424 and Add.1, A/49/479, A/49/493-S/1994/1142, A/49/506, A/49/541)

(a) TRADE AND DEVELOPMENT (continued) (A/49/15, (vol. I and II), A/49/227 and Add.1 and 2, A/49/228-S/1994/827, A/49/277, A/49/363)

(b) FOOD AND AGRICULTURAL DEVELOPMENT (continued) (A/49/438, A/49/507)

(c) COMMODITIES (continued) (A/49/226, A/49/228-S/1994/827, S/1994/894 and Corr.1)

(d) CULTURAL DEVELOPMENT (continued) (A/49/159-E/1994/62 and Add.1 and 2)

(e) INTEGRATION OF THE ECONOMIES IN TRANSITION INTO THE WORLD ECONOMY (continued) (A/49/330)

(f) INDUSTRIAL DEVELOPMENT COOPERATION (continued) (A/49/347, A/49/372)

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(g) UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS (Habitat II) (continued) A/49/37, A/49/272, A/49/640)

(h) INTERNATIONAL COOPERATION FOR THE ERADICATION OF POVERTY IN DEVELOPING COUNTRIES (continued) (A/49/572)

(i) UNITED NATIONS INITIATIVE ON OPPORTUNITY AND PARTICIPATION (continued) (A/49/287-S/1994/894 and Corr.1, A/49/541)

4. Mr. GARCIA-BERCERO (Observer for the European Community) said that trade had become the most effective means to mobilize resources to finance the development process. In the period between 1986 and 1992, the overall value of developing country exports of goods and services had doubled. As a result of their increased participation in international trade, the developing countries had become major players in the world economy. Thus, open markets on the basis of multilateral trade rules offered the best guarantee for the integration of developing countries and countries with economies in transition into a dynamic world economy. The agreements reached in Marrakesh were historic since they reflected the international community's decision to opt for a rule-based multilateral trading system and to abandon protectionist trade policies.

5. In order to derive the full benefits from the increased trade opportunities, the least developed countries would have to enhance their competitiveness by adopting stable macroeconomic policies and an open framework for trade and investment that emphasized the role of the private sector. If they focused merely on short-term results such as the erosion of preferential margins, they would detract attention from the real issue, namely, the need to enhance competitiveness. Countries whose economies were in transition must also concentrate on open markets and creating a favourable investment climate that would attract the private sector.

6. The relationship between trade and environment policies represented a new challenge for trade relations. The European Union welcomed the important work being carried out in that area by the United Nations Conference on Trade and Development (UNCTAD), and the establishment of the Ad Hoc Working Group on Trade, Environment and Development whose mandate referred inter alia to the need to establish rules to enhance the positive interaction between trade and environmental measures, avoid protectionist trade measures and ensure the responsiveness of the multilateral trading system to environmental objectives.

7. Mr. NIE Hualiang (China) said that, in the view of his delegation, every effort should be made to enable more countries to be original members of the World Trade Organization in order to make it more widely representative. China had already applied for resumption of its status as a contracting party to the General Agreement on Tariffs and Trade (GATT). In view of China's growing importance in world trade, it would be inconceivable for it not to be a member of the World Trade Organization.

8. Turning to UNCTAD, he said that its role in providing technical assistance to developing countries should be further strengthened. His delegation also

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called upon the international community to adopt measures to encourage investment in and technology transfer to the least developed countries. In view of the continuing decline in commodity prices, it was imperative to convene a world conference on commodities bringing together producers, consumers and the marketing sectors.

9. Shelter was one of the fundamental conditions for human survival. If the United Nations Conference on Human Settlements was to have a positive impact on human settlements, it must maintain its focus on the themes of "shelter for all" and "human settlements development in an urbanizing world".

10. Mr. BIAOU (Benin) said that the report of the Secretary-General on the International Year for the Eradication of Poverty (A/49/572) left much to be desired. Indeed, it had been submitted so late and its content was so vague that his delegation wondered whether eradication of poverty was a priority objective of the United Nations. The programme for the International Year should reflect the fact that combating poverty was not only a moral obligation but a matter of human solidarity. He hoped that Member States would be consulted on the preparation of the final report which was to be submitted in 1995. His delegation would also like to know whether the ad hoc working group to prepare the draft programme for the observance of the Year was to be an intergovernmental group or a group of experts. He pointed out that the proposed timetable outlined in the report allowed very little time for Member States to consider the draft programme before its adoption by the General Assembly.

11. The eradication of poverty called for concrete activities which should be carried out progressively based on a timetable defined at the international and the national levels. In that context, he drew attention to the objectives relating to poverty elimination set forth in the International Development Strategy for the Fourth United Nations Development Decade. The World Summit for Social Development would provide an opportunity for taking stock of the progress made towards meeting the goals of the International Development Strategy and developing new measures and activities. He called inter alia for greater involvement of the non-governmental organizations in the implementation of programmes aimed at reducing poverty, and for greater efforts to cancel the official debt and to reduce the multilateral debt of the least developed countries. Special attention must be given to such matters as collecting data on poverty, particularly on women and children, the effects of structural adjustment programmes, and access to basic education, family planning and primary health care. His delegation supported the proposal to hold a high-level inter-institutional meeting to define a common approach to social indicators that could be used system-wide.

12. Mr. BATU (Turkey), speaking on agenda item 88 (g) concerning the United Nations Conference on Human Settlements (Habitat II), called on the General Assembly to endorse the Secretary-General's proposal that it should be a summit-level conference. The Conference should be the culmination of the series of major United Nations conferences held during the 1990s and its global plan of action should incorporate the relevant recommendations made at those earlier conferences.

13. All issues discussed at Habitat II should be people-centred. National delegations should include, in addition to government representatives, representatives also of business, academic and scientific circles, non-governmental organizations and the media. There should be at least one sessional committee of the Conference to provide for exchanges of views and experience among those participants, and each Government should present some of its national experience in audio-visual form. The developing countries should be given financial and technical assistance to enable them to prepare such audio-visual presentations.

14. His delegation fully supported the Preparatory Committee's recommendation that it should be allowed to hold a third substantive session, in early 1996, and he urged the secretariats of all relevant organizations of the United Nations system to play an active part in the preparations for the Conference. As the host country, Turkey was committed to ensuring the Conference's success.

15. Mr. ABDUL MOMIN (Brunei Darussalam), speaking on behalf of the Association of South-East Asian Nations (ASEAN) in relation to agenda item 88 (a) entitled "Trade and development", said that trade between ASEAN countries had risen sharply in 1994, as had their imports from countries outside the region. He attributed the favourable performance to a number of factors. All ASEAN countries were pursuing export-oriented strategies and favoured market-oriented economic policies, which they felt would lead to a greater accumulation of resources and improved resource allocation. In addition, they had begun to take bold measures towards greater trade liberalization among themselves. The target date for the establishment of the ASEAN Free Trade Area (AFTA) had been brought forward and products that had initially been excluded were to be gradually incorporated in the scheme. At the same time, AFTA would not raise trade barriers against third countries. The reduction of tariffs among ASEAN countries parallelled their programmes of trade liberalization at the multilateral level, with "open regionalism" as their guiding principle.

16. While the ASEAN countries, individually and collectively, welcomed the conclusion of the Uruguay Round of multilateral trade negotiations, they felt that in areas such as agriculture, trade-related aspects of intellectual property rights, anti-dumping laws and textiles the results were weighted in favour of the developed countries. It was important to ensure that the Marrakesh agreements were ratified as soon as possible. ASEAN felt that the developed countries had a moral responsibility to take the lead in that regard.

17. ASEAN felt that it would be prudent to concentrate on implementing the results of the Uruguay Round before discussing certain sensitive issues concerning the World Trade Organization. It was also concerned that some developed countries were attempting to link trade to social clauses, human rights and environmental issues; such linkages could be used as a pretext for protectionism. There should be no preconditions for trade that would impede economic growth and development. The establishment of the World Trade Organization would ensure greater certainty in the conduct of world trade. The strengthened dispute settlement mechanism, for example, would enhance the

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credibility of the existing trading regime. However, the relationship between the new organization and the United Nations should be clearly defined.

18. Mr. GOVINDASAMY (Singapore) said that it was regrettable that, while the developing countries and countries with economies in transition were embarking on painful reforms, some developed countries were increasing their use of non-tariff barriers and anti-dumping and countervailing measures. His delegation was also concerned that some developed countries were attempting to introduce minimum labour and environmental standards and even human rights concerns into international trade agreements. The imposition of such standards could become a disguised form of protectionism. The setting of minimum labour standards would erode the developing countries' comparative advantages and impede their economic growth and development.

19. There was a complementary relationship between the developed and the developing world. By actively trading in world markets, the developing countries would be able to raise their income levels and, consequently, be able to purchase capital goods and services from developed countries. The developed countries that had comparative advantages in the production of such goods and services would benefit because of the increased markets in the developing countries. The developed countries should help integrate the developing countries and economies in transition into the world economy by increasing the latter's access to their markets instead of putting up trade barriers.

20. His delegation welcomed the successful conclusion of the Uruguay Round of multilateral trade negotiations. The establishment of the World Trade Organization was a major achievement. His delegation urged those who had not yet ratified the Final Act embodying the results of the Uruguay Round of multilateral trade negotiations to do so without further delay.

21. The expansion of trade within regional groups fuelled economic growth. In particular, the dynamic economic growth of the East Asian countries could be attributed to increasing intra-regional trade. However, there was always the danger that regional trade arrangements could become exclusive; regional blocs that shielded the region from competition would stifle growth. Regional initiatives were a stepping-stone, not an alternative, to the multilateral trading system.

22. Economic cooperation among the members of ASEAN and, in particular, the ASEAN Free Trade Area (AFTA) initiative were an example of successful South-South cooperation. AFTA would be established through a common effective preferential tariff scheme over a period of 10 years. The ASEAN countries were not inward-looking, and the Association's endorsement of AFTA did not detract from its commitment to a multilateral trading system. A large part of the trade of the ASEAN countries was with other countries.

23. The Asia-Pacific Economic Cooperation Council was another example of economic cooperation in the Asia-Pacific region. The countries members of the Council were committed to the principle that "open regionalism" must continue to govern regional cooperation and investment. His delegation fully supported the

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goal of free trade in the Asia-Pacific region and was convinced that the reduction of trade barriers within regional groups and its extension to other groups would ultimately enhance global welfare.

24. Mr. CAMARA (Food and Agriculture Organization of the United Nations (FAO)), after briefly reviewing the food situation of the various regions, said that while the world food security situation would probably continue to improve, some countries and even entire regions might see little improvement. In sub-Saharan Africa, in particular, the level of under-nutrition was likely to rise still further. The way to ease those problems was not so much to increase world food production but to encourage sustainable development in low-income countries. Many of those countries were heavily dependent on agriculture for employment and income; thus renewal of efforts to develop their agriculture was perhaps the most important priority in the foreseeable future.

25. FAO was fully committed to the broadened concept of food security, which included all aspects of the socio-economic development process that had an impact on food security. FAO had developed a methodology for preparing comprehensive national food security programmes, which had been tested in four African countries and two African subregions. Sixteen countries and two more subregions were currently applying a revised version of the methodology. Experience had shown the importance of using a country's overall agricultural development strategy as an instrument to achieve food security objectives, especially in the low-income food-deficit countries.

26. Food insecurity for rural households, especially in the low-income food-deficit countries, was largely related to low labour productivity in agriculture, for both small farmers working their own land and labourers working for cash wages. It was not enough to generate more employment opportunities for those people if labour productivity did not improve. The special programme on food production in support of food security in low-income food-deficit countries sought to expand both productivity and total production of staple foods in target countries. With regard to food supply, FAO had proposed that greater emphasis should be placed on promoting technology transfer in an equitable and sustainable manner. Such action would not only focus on the application of more efficient production technologies but would also address such matters as pricing policies, credit facilities and other factors that might affect the impact of such technologies.

27. If women were to participate in development efforts, development specialists and policy makers must be sensitized to gender issues, and national capacities and the capacity of the United Nations system as a whole must be strengthened to permit the development of gender-responsive projects, programmes and policies. In the implementation of its Plan of Action for the Integration of Women in Development, FAO had placed special emphasis on social and gender analysis training. In addition, FAO provided assistance for the assessment of food security and nutritional status, which included gender-specific data collection and dissemination. Gender-related issues were also considered in the activities of the Early Warning Food Information Systems relating to

surveillance, the development of food and nutrition policies and the integration of nutrition concerns into development policies and programmes.

28. FAO continued to place considerable emphasis on commodity trade problems. One of the dominant trends in agricultural commodity markets had been the tendency for countries to take steps unilaterally to offset effects of international price declines and price instability. Many developed and developing countries had adopted a national approach to price stabilization, which aggravated the international situation by reducing the extent to which those countries could absorb fluctuation in world markets. In adopting a national policy response to declining and unstable world prices, many developing countries were at a distinct disadvantage, since they could not afford to provide extensive protection for their agriculture nor invest in research and development to boost productivity.

29. With the conclusion of the Uruguay Round of multilateral trade negotiations, the emphasis on various commodity problems would change. There would be continued interest and involvement in questions of market stability and the related issues of market transparency, monitoring and information-gathering and long-run studies of supply and demand. FAO would continue to monitor and assess the evolution of protectionism in agriculture. The role of its Principles of Surplus Disposal in food aid would also grow in importance following their recognition in the Final Act of the Uruguay Round. In the light of the increasing trend to adopt sophisticated environmental policies with trade implications, FAO had begun work on the technical and economic assessment of the impact of the production of individual commodities on the environment. Finally, new end uses of agricultural commodities of better quality and lower cost would need to be developed to meet new market requirements and environmental standards.

30. Rural poverty was usually linked to inadequate access to land and other means of production. Since 1979, FAO had been committed to the principles adopted by the World Conference on Agrarian Reform and Rural Development, which stressed the need for equitable access to land, employment and services to ensure sustainable development for all and prevent poverty. However, sometimes the poorest and most vulnerable groups were not the main beneficiaries of policies to eradicate rural poverty. In 1994, FAO had begun a new research programme to assist member nations to improve the design of policies, programmes and projects to combat rural poverty and ensure people's participation in development efforts.

31. Unfortunately, in spite of their predominant contribution to agricultural production in so many parts of the developing world, women were still overrepresented among the rural poor and were still confronted with considerable discrimination. The FAO Plan of Action for the Integration of Women in Development provided a framework for addressing those problems and benefiting women agricultural producers at all levels of society. In that context, FAO promoted concerted efforts to enhance rural women's civil status, economic empowerment, social emancipation and decision-making capacity.

32. Mr. BRAITHWAITE (Australia), speaking on behalf of the Cairns Group, said that with the successful conclusion of the Uruguay Round of multilateral trade negotiations an improved set of rules had been established for agricultural trade. The Cairns Group accounted for about one third of the world's agricultural exports and represented nearly the same number of people as the combined populations of the European Union and the United States of America. The Agreement on Agriculture would have an important impact on the way agricultural policies developed in future. Throughout the Uruguay Round, the Cairns Group had demonstrated that small and medium-sized countries working together with a shared objective could exert considerable influence on international trade policy. The Cairns Group would continue to promote fair trade in agriculture and insist on the full and prompt implementation of agriculture commitments under the Uruguay Round.

33. Mr. CHALISE (Nepal) said that his delegation fully shared the concern expressed by many delegations with regard to the limited progress that had been achieved in the implementation of the Programme of Action for the Least Developed Countries for the 1990s. The international community had lagged behind in terms of implementing its commitments to assist the least developed countries in their efforts to achieve the goals and objectives of the Programme of Action. The High-Level Intergovernmental Meeting on the Mid-term Global Review of the Implementation of the Programme of Action would provide an opportunity for action. The Trade and Development Board had already taken the first step by adopting conclusions on such critical areas as human capacity-building, official development assistance (ODA) and foreign debt and foreign trade.

34. The General Assembly at its forty-ninth session should approve the Trade and Development Board's recommendation to convene a high-level meeting of least developed countries from 26 September to 6 October 1995. The Assembly should also ensure that other necessary and useful activities, including a preparatory meeting of governmental experts of the least developed countries, donor countries and institutions and regional, sectoral and inter-agency preparatory meetings took place on time. It should also request the Secretary-General to provide adequate resources for those activities and for the full participation of the representatives of the least developed countries and UNCTAD.

35. With respect to food and agriculture, he hoped that the decision taken at Marrakesh to establish appropriate mechanisms to offset the negative effects on least developed countries resulting from the agreements would be implemented swiftly. He agreed with the Director-General of the United Nations Industrial Development Organization (UNIDO) that there was an urgent need for a new age of global industrial partnership and that no region or group of countries should be marginalized.

36. Concerning preparations for the Habitat II Conference, the international community should give adequate attention to the rapidly increasing urban population all over the world. The obvious link between population, development and environment called for a concerted approach to both urban and rural

development. In that connection, particular attention should be paid to the needs of the urban poor, especially women.

37. Turning to the eradication of poverty, he noted that several reports and programmes already existed on the subject and that all that was required was international cooperation and support in order to implement them.

38. Mr. SAMHAN (United Arab Emirates), speaking on agenda item 88 (g) concerning the United Nations Conference on Human Settlements (Habitat II), said that the international community would have to redouble its efforts to address the problems of overcrowding and deteriorating social, environmental and economic conditions that normally accompanied rapid urbanization. Since its foundation, the United Arab Emirates had sought to create stable living conditions for the family as the basic unit of society, building housing units with appropriate sanitary facilities and providing the requisite support services in terms of public utilities and projects designed to raise living standards and provide useful skills and expertise. The problems of desertification and aridity had been addressed through the reclamation and cultivation of large tracts of land. The role and responsibility of the individual had been enhanced, and women were viewed as having a major part to play in the development of society.

39. His country had recently hosted the second Arab preparatory meeting for Habitat II, and another one was shortly to be held in the emirate of Dubai. It was hoped that the recommendations emanating therefrom would contain ideas for a global plan of action and lay the basis for a statement of principles and commitments which could be discussed at the second session of the Preparatory Committee for Habitat II.

40. The municipal council of Dubai city was currently implementing a technical cooperation project in coordination with the United Nations Centre for Human Settlements (Habitat) that was the first of its kind in the world. Under the project, cities and non-governmental organizations in a number of developing countries were being offered assistance in documenting and disseminating the best methods of municipal administration and in improving urban living conditions.

41. Mr. ADRIKO (Uganda) said that his Government attached great importance to human settlements because it recognized that adequate shelter was a basic prerequisite for the full development of the human person. Indeed, in many developing countries, progress with respect to human settlements policies, programmes and projects had been unsatisfactory because of a shortage of resources and a lack of expertise; that situation had been aggravated by other factors such as civil strife and natural disasters. The result was an expanding stream of displaced persons and rural migrants who were putting increasing pressure on the urban centres. An effective international strategic response needed to be evolved to address those problems.

42. He noted that the African Ministers responsible for human settlements had met recently in Nairobi, in connection with the Preparatory Process for

Habitat II, and had adopted a declaration endorsing the two major themes for the Conference. They had also focused attention on critical issues such as the need for human settlements policies in Africa to address the requirements of urban and rural areas simultaneously and promote appropriate linkages between the two to achieve a balanced development, and the need to ensure access to land and shelter for the majority of the population. It had also been recognized that the successful preparation and implementation of Habitat II would depend to a large extent on the commitment of the international community to provide financial support.

43. At the national level, he said that a national committee had been established and had drawn up a comprehensive national plan which it had submitted to the Conference secretariat. Finally, his delegation supported the proposal that the Preparatory Committee should hold a third session in early 1996 to help the Secretariat put the final touches to the documents and he appealed, on behalf of the least developed countries, for adequate resources to support the Conference's secretariat so that it could fully assist the developing countries with their national preparatory efforts.

44. Mr. HORIGUCHI (Japan) said that the economies in transition had enormous economic potential and could contribute to the development of the world economy. Accordingly, Japan would provide them with the assistance they needed without diverting resources from developing countries. Moreover, because needs varied, assistance should be decided on a case-by-case basis.

45. Noting that almost all recent United Nations conferences had taken up the subject of development, he said that, important though the issue was, dealing with it at every major international gathering was a wasteful duplication of effort and he hoped that Habitat II would concentrate on achieving its original goals. However, in the light of the major challenges posed by the rapid increases in population, particularly in urban areas, it was extremely important to keep in mind the outcome of the International Conference on Population and Development throughout the preparatory process for Habitat II.

46. Mrs. MBOYA (Kenya) referring to the heavy dependence of African countries on a few commodities for their export earnings, said that concerted action must be taken to support the diversification process, and that the immediate establishment of a commodity fund for Africa was critical.

47. Turning to the issue of human settlements she noted that although there were regional differences, all cities faced the same challenges. In addition to the problems of refugees and displaced persons, the pace of urbanization was accelerating as a result of the number of people flocking to urban areas in search of employment. Increasing urbanization was therefore an irreversible phenomenon and it was to be hoped that Habitat II would provide a new orientation and policies to address issues such as adequate provision of shelter and infrastructure, the resulting adverse environmental impact of accelerated urbanization on natural resources and proper management of cities.

48. At the national level, Kenya had established a national steering committee on Habitat II which had initiated consultations with a view to elaborating an effective national plan of action concerning human settlements and formulating a national environment action plan to integrate environmental considerations into national development programmes. At the regional level, it had participated in the recent meeting of African ministers responsible for human settlements in connection with the preparatory process for Habitat II.

49. In that connection she urged that adequate resources should be made available from the regular budget of the United Nations to the Conference secretariat so that it could carry out the preparations needed to ensure the success of the Conference. Donors should also contribute to the two funds established by the General Assembly so as to enable developing countries to participate fully and effectively in the Conference and its preparatory process.

The meeting rose at 6.20 p.m.

UNITED NATIONS

General Assembly

FORTY-NINTH SESSION

Official Records

SECOND COMMITTEE
23rd meeting
held on
Friday, 11 November 1994
at 10 a.m.
New York

SUMMARY RECORD OF THE 23rd MEETING

Chairman: Mr. KHAN (Pakistan)

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The meeting was called to order at 10.20 a.m.

AGENDA ITEM 88: SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued) (A/49/204-E/1994/90, A/49/205-E/1994/91, A/49/229, A/49/256, A/49/307, A/49/378, A/49/381, A/49/395, A/49/412-S/1994/1078, A/49/422-S/1994/1086, A/49/424 and Add.1, A/49/479, A/49/493-S/1994/1142, A/49/506, A/49/541)

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(h) INTERNATIONAL COOPERATION FOR THE ERADICATION OF POVERTY IN DEVELOPING COUNTRIES (A/49/572)

(i) UNITED NATIONS INITIATIVE ON OPPORTUNITY AND PARTICIPATION (A/49/287-S/1994/894 and Corr.1, A/49/541)

General debate (continued)

1. Mr. NYAWOUAME (Togo) said that international cooperation to eradicate poverty in developing countries was in essence a problem of morality. Since the end of the cold war the international community had paid increasing attention to social development issues. Nevertheless, far from being eradicated, poverty was becoming a universal problem affecting both the so-called countries in transition and even developed countries. The situation was most disquieting in the least developed countries in general, and in particular those of sub-Saharan Africa. In those countries there were many without drinking water or health care and many suffered from malnutrition, their situation being further aggravated by civil war, which often reduced them to destitution. The international community had taken a number of measures, in particular the fourth International Development Strategy, and had launched several complementary special programmes based on the needs of vulnerable groups, job creation and implementation at the national level of food security programmes. But primary responsibility for resolving the problem of poverty lay with those affected,

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with assistance from the international community serving to buttress their efforts.

2. Togo had taken a number of steps to alleviate poverty. It was striving for food self-sufficiency in the context of its green revolution policy, through, inter alia, agricultural prices and a start-up grant for young farmers. In terms of employment, the Government had launched a broad "employment-training" programme, intended to promote the employment of young graduates and encourage private enterprise through feasibility studies on establishing fundable small-scale projects and enabling developers to set up small production units. Over the years the programme had resulted in the absorption of a substantial number of unemployed young people. His delegation acknowledged the goodwill which had sustained the programme and called upon the international community to provide financial support to ensure its survival. The Government had established an industrial free zone at Lomé.

3. No country, however powerful, could assure its prosperity alone. A favourable external environment was necessary, and the international community must address the roots of that problem. The least developed countries still lacked capital owing to indebtedness and the constant fall in official development assistance (ODA), which remained far below the target of 0.7 per cent of gross national product (GNP) of donor countries. In addition there were structural adjustment problems, whose prescriptions calling for slimming down of the public sector and reduced social expenditure were such as to reduce the already meagre resources allocated to education, health and social protection.

4. To tackle poverty, those problems must be solved through concrete actions: it was essential to quite simply cancel the debt of African countries and of the poorest countries if current policies were to create genuinely productive employment. There was also an urgent need to establish a diversification fund for African commodities. Togo supported the Secretary-General's proposal for an international conference on development. But the international community must also honour the different commitments undertaken in several recent major instruments (Agenda 21, Rio Declaration, United Nations New Agenda for the Development of Africa in the 1990s, Cartagena Commitment, Paris Programme of Action for the Least Developed Countries for the 1990s). The agenda for development should give renewed impetus to efforts to combat hunger, malnutrition and poverty.

5. His delegation welcomed the measures taken to observe the International Year for the Eradication of Poverty (see A/49/572) and the conclusions of the International Conference on Population and Development, held at Cairo, and noted with satisfaction that a large number of States had recently signed at Paris the International Convention to Combat Desertification. He commended the joint efforts of UNDP and FAO to promote sustainable food security in low-income food deficit countries. Yet for measures to eliminate poverty to be more effective, the World Summit for Social Development, at Copenhagen, must clearly define the different forms of poverty and provide guidance on action to be taken in each case.

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6. Attainment of the full dignity of the human being demanded a substantial reduction in economic and social inequality. While reaffirming the primary responsibility of States, his delegation called for a collective raising of awareness to eliminate the factors perpetuating poverty.

7. Mr. HAAKONSEN (Denmark), speaking on behalf of the Nordic countries, said that it was regrettable that after decades of dedicated work for the alleviation of poverty more than a billion of the world's population, almost one third of the population of developing countries, still lived in absolute poverty. Alleviation of poverty must be at the top of the international agenda. World focus was very much on humanitarian assistance, but aid could only alleviate the symptoms of poverty, whereas it must be fought at its roots through policies to secure food production and make available affordable housing. The main responsibility for combating poverty lay with countries themselves, each of which must formulate policies to ensure the fulfilment of basic needs and to enable all individuals to develop their human and economic potential.

8. For the Nordic countries, the overall goal in development cooperation was the eradication of poverty, namely, the improvement of the standard of living of poor people in a sustainable manner. In the longer term that was not possible unless the economy grew faster than the population. Broadly based sustained economic growth must thus be in the forefront, not as an end in itself but as a means of achieving sustainable human development. The opportunities produced by economic growth must be accessible to all. Economic growth required policies that were conducive to investment and entrepreneurship as well as structural reforms to promote an open market economy. Governments should ensure that economic growth was environmentally sustainable. It was also important to develop human resources through education and health, including reproductive health.

9. In order to improve the quality of life, it was important to provide security for people in their daily lives: individuals should not have to fear hunger, disease, unemployment or any form of harassment. That implied respect for human rights and ethnic and cultural diversity. Poor people must be empowered to provide for their own requirements by utilizing their own productive capacity and by participating in decisions which affected their lives. That was particularly true of women: the feminization of poverty was alarming, yet investment in the human capital which they represented would yield great economic and social returns; women must have equal access with men to education and health, be able to own land and participate in the political and economic life of their country, and have access to education, health, credit and income opportunities.

10. It was essential that the international community should recognize the decisive role it had to play in the creation of a favourable external economic environment and improving market access for products from the developing countries. It would be appropriate to allocate an increased proportion both of national budgets and official development assistance (ODA) to the realization of the most important human development objectives. It was imperative that donor countries should allocate 0.7 per cent of their GNP to official development

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assistance in order to genuinely assist developing countries in their fight against poverty.

11. The alleviation of poverty would be at the top of the agenda at the World Summit for Social Development, to be held in Copenhagen in March 1995. It would be important to define a common strategy to prevent poverty and to combat unemployment and social exclusion. A new human-centred and socially-oriented approach to development could perhaps result from the series of conferences and summits from the Rio Conference (1992) to the Istanbul Conference (1996).

12. Mr. PASZYNSKI (Poland) said that countries in transition could only be integrated into the world economy if they pursued appropriate economic policies and created a favourable legal and institutional framework. Poland had pursued the systematic and structural transformation of its economy with the greatest vigour, despite the enormous social cost of the change. The modernization and restructuring of the Polish economy was continuing, particularly in the private sector, which was currently employing more than two thirds of the Polish labour force. Commercial legislation was being recast in order to bring Polish law into line with the standards of the European Union. The market, the stock exchange and banking intermediation were continually being expanded. Poland had adopted stringent fiscal and monetary policies to lower inflation and make its products more competitive abroad and at home, and had become open to direct and portfolio foreign investment.

13. Since it attached great importance to the improvement of the multilateral rules of trade and to the framework of international economic cooperation, Poland had taken an active part in the Uruguay Round of multilateral trade negotiations and hoped to take an active part in the work of the World Trade Organization (WTO). It had accepted the discipline demanded by international financial and monetary institutions. It hoped that its currency would soon be fully convertible, and was seeking join regional groupings.

14. However, those strenuous efforts were not sufficient to guarantee complete integration in the world economy. Poland also needed access to foreign markets. However, despite the liberalization resulting from the Uruguay Round discussions, some pockets of protectionism were still preventing Polish products from fully exploiting the possibilities of international exchanges and, paradoxically, the harder freedom of trade was sought, the more deeply entrenched those enclaves became.

15. In the transition to a market economy, certain imports needed to be accelerated, and there could be temporary imbalances in current accounts. The transition economies were not in a position of strength in major international trade negotiations, and they therefore attached great importance to the establishment of a system for the settlement of trade disputes.

16. The integration of the economies of countries in transition into the world economy was a very important historical, political, social and economic process, which called for imaginative policies, especially at the social level. United Nations agencies had a major role to play in considering those issues and should

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further facilitate the transition by offering their analytical capability and their organizational and technical assistance services. It was surprising, for example, that after the collapse of communism, new mechanisms had not been established to meet the challenge of transition and to take advantage of the great possibilities offered. The General Assembly should continue to examine the problem of the integration of the economies of countries in transition into the world economy every two years, on the basis of analytical reports.

17. With regard to the United Nations Conference on Human Settlements (Habitat II), human settlements constituted a vast potential for international cooperation to achieve the objectives of sustainable development as envisaged in Agenda 21 (especially chapter 7). The United Nations Centre for Human Settlements (UNCHS) had a vital role to play in the preparations for that Conference, a process which was entering a crucial phase. The developing countries were in desperate need of the resources and technology necessary for solving the problem of human settlements, and Governments, scientists, organizations, the private sector and the international community should seek to find a way to fill that need. In the light of the lessons learned from Habitat I, a new global human settlements policy should be drawn up, together with new international criteria for the planning, development and long-term management of human settlements, and special attention should be paid to coastal areas, heavily industrialized regions and other vulnerable areas. The Committee of Permanent Representatives to UNCHS at Nairobi had been actively engaged in preparing a draft resolution on Habitat II, to be considered by the General Assembly at its forty-ninth session. Poland fully subscribed to that text and considered that the Committee should continue to play an important role in the preparations for Habitat II, in close cooperation with the secretariat of UNCHS.

18. Mrs. AMERASEKARE (Sri Lanka) noted that different views had been expressed on the manner in which the problem of poverty should be approached during the informal consultations of the Preparatory Committee for the World Summit on Social Development. Sri Lanka considered that two lines of approach were necessary, combining long-term measures for economic growth and short-term measures to alleviate poverty, since the development of human resources was a prerequisite for economic growth.

19. That strategy had been employed in the south Asian region and had had the following effects: (i) poor people had benefited in areas where there had been systematic emphasis on agricultural development and food production; (ii) in countries or regions within countries where a serious interest was taken in social development programmes, significant results had been achieved even at very low levels of per capita income; (iii) in cases where substantial financial resources were available, it had been possible to alleviate poverty through the delivery of inputs to the poor for production in selected sectors.

20. Experience had thus shown that both short-term development measures (such as income transfers) and long-term measures (such as agricultural and industrial development) could have a positive effect on the poorer segments of the population.

21. In the States members of the South Asian Association for Regional Cooperation (SAARC), which accounted for over a fifth of the world's population, 30 to 40 per cent of the population had been living below the poverty line in 1991. It had been estimated that it would take a growth rate of 9 per cent per year over 10 years in order to raise that portion of the population above the poverty line - an ambitious goal, but achievable if every country made the necessary effort.

22. Her Government had taken both short- and long-term measures to eradicate poverty. It had launched a movement focused at the level of the family to benefit youth, women and other disadvantaged groups and to stimulate social mobilization for development projects. The family-level activities would be linked to community projects and to district and provincial development programmes. The promotion of social integration and human resources development were two important aspects of the movement.

23. The success of all those efforts would depend on political commitment at both the national and international levels. International efforts were needed to create a supportive environment. Not all countries would benefit equally from the conclusion of the Uruguay Round of multilateral trade negotiations. Countries that exported raw materials and countries that were net importers of foodstuffs would be adversely affected and should be given multilateral and bilateral financial and technical assistance through the adjustment phase.

24. It was gratifying to learn that the preparations for the United Nations Conference on Human Settlements (Habitat II) were proceeding well. Habitat II would have to address the problems of overcrowded urban centres, slums and shanty towns - phenomena resulting from urban migration which was a problem that urgently needed to be addressed.

25. The Secretary-General of Habitat II had projected that by the year 2020, 54 per cent of the population in Africa and 56 per cent of the population in Asia would be living in cities. An important part of economic activity, namely, food production and the production of raw materials, took place in rural areas, which required basic services and community infrastructure in order to be able to provide food security to the community in general and to urban communities in particular. Habitat II should focus attention on the use of locally available raw materials and the development of products that could be manufactured in rural areas using labour-intensive methods in order to create employment in rural areas and slow the process of urban migration. Her delegation supported the proposal to hold a third session of the Preparatory Committee for Habitat II in New York.

26. Mr. WISNUMURTI (Indonesia) noted with satisfaction that the Secretary-General, in document A/49/542, had recommended renewal of the dialogue on the strengthening of international economic cooperation for development through partnership. Too often, programmes of action and commitments on international economic cooperation had yielded few results in the absence of real dialogue between countries.

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27. The demise of the cold war had opened up new prospects for more constructive dialogue and a genuine partnership for strengthening international cooperation for development. Old problems persisted, while new ones had emerged, made all the more complex by globalization and the increasing interdependence of countries. Those factors made it essential to find a new spirit of international cooperation for development.

28. Renewed dialogue would be an arduous process, because it would require a consensus that was more than mere façade and involved participation of the main international groups concerned. As the Secretary-General had noted, the United Nations had a primary role to play in that regard. It should indeed be possible to take advantage of the presence of high-level representatives during the early part of the General Assembly's sessions to organize a high-level dialogue on a major theme in plenary meetings. The fiftieth anniversary of the Organization could be the occasion to cement an agreement on a new agenda for development and initiate a new phase of the dialogue within the United Nations.

29. International trade was a question that interested both developed and developing countries. He concurred with the comment in the report of the Trade and Development Board (A/49/15, vol. I and II) that the successful conclusion of the Uruguay Round and the signing of the Final Act at Marrakesh was a milestone in the evolution of international economic relations. The agreements concluded should be promptly ratified. The future WTO should uphold the principles agreed upon concerning the rights and interests of the weaker countries and more vulnerable trading partners. The principle of comparative advantage must be upheld at all costs. The least developed countries, especially in Africa, were likely to face the most difficult problems. For that reason, he welcomed the conclusion of the Trade and Development Board that a "safety net" should be provided for such countries to assist them in dealing with the transitional costs of adjustment. The issue of international cooperation for the eradication of poverty in developing countries could be a theme conducive to constructive dialogue. Indonesia had made major progress in combating poverty. The percentage of its population in absolute poverty had declined from 60 per cent to 15 per cent over the last 30 years because of two major factors: rapid and sustained economic growth, especially in the agricultural sector and the labour-intensive manufacturing sector, and an array of measures designed to improve the health and educational levels of the poor and to slow population growth rates while providing adequate social and physical infrastructure.

30. By those means the poor would gain access to, and participate in, the advantages of growth. The introduction of certain social clauses, relating in particular to labour standards, would only serve to undermine some of the remaining comparative advantages of developing countries and to limit the access of their people to employment opportunities. That did not mean that Indonesia was not concerned about raising the standard of living of its people; it merely wished to ensure that the process did not result in instability and that the level of development in different countries was given due consideration.

31. Another problem closely associated with poverty alleviation was that of food and agricultural development. The rapid development of the agricultural

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sector had been of central importance in Indonesia in combating poverty. Agricultural breakthroughs had resulted in an increase in rice crop production by nearly 5.3 per cent per year during the 1970s and the early 1980s. High investment inputs and pricing and stabilization policies had also played a decisive role.

32. Such policies had not only helped to free the poor from hunger and malnutrition, but had contributed towards sustainable growth. The eradication of poverty also required an enabling external environment which would facilitate access to markets and technology and financial flows. The International Fund for Agriculture and Development (IFAD) had played a constructive role in assisting the developing countries to increase their food production capacity and to combat poverty. The international community should increase its support to IFAD; at the fourth replenishment of IFAD funds, Indonesia had been able to increase its pledge to US$ 10 million. His delegation fully supported the Director-General of the Food and Agriculture Organization (FAO) in his call to convene a world food summit as a means of promoting cooperation and formulating a food security programme of action.

33. Mr. PIBULSONGGRAM (Thailand) noted that the solution to many domestic and external problems of economic development lay in large part with the expansion of multilateral trade opportunities. As underlined by the Trade and Development Board, increased integration of developing countries into the world economy was of great importance. In the view of his delegation, such increased integration reflected the growing confidence of the developing countries in the new international trading system, which should be complemented by the ratification and full implementation of the Uruguay Round and by the establishment of WTO, the relationship between the United Nations and which should be the same as that between it and the World Bank, the International Monetary Fund (IMF) and the World Intellectual Property Organization (WIPO). Ratification of the Marrakesh Agreement would greatly aid developing countries to expedite their structural adjustment programmes.

34. Promoting participation and integration also required the international community to place more emphasis on multilateral negotiation, in which the United Nations Conference on Trade and Development (UNCTAD) had a key role to play by acting as a forum for intergovernmental consultation, policy analysis and negotiation. Moreover, UNCTAD should provide the developing countries, particularly the least developed countries (LDCs) the means to participate more effectively in multilateral trade negotiations and to contribute to forging the new partnership for development called for by the Cartagena Commitment. The restructuring of the Trade and Development Board, reported in document A/49/363, should be very useful in that regard.

35. The globalization of economic activity and the growing interdependence among countries had limited the autonomy of Governments in the conduct of national economic development, but that did not lessen the importance of their role in trade and development. In facing the challenges of development, Governments had to contribute to the prosperity of their peoples and to development. It was important for all member States to engage in a constructive

dialogue, based on mutual interest, interdependence and partnership. Additional attention should be given to the least developed countries, where development constituted a higher priority than structural adjustment. Only through such arrangements could the spirit of the Cartagena Commitment be fulfilled. In that regard, the Secretary-General's proposal to hold special sessions of the General Assembly on international economic cooperation deserved further consideration.

36. The issue of commodities was of great concern to the developing countries, since in many of them, the production and export of commodities were the principal activities generating income, employment, savings and external resources. A cooperative effort by producers and consumers was needed; that had been shown by the purchase of buffer-stocks by the International Natural Rubber Organization (INRO), which had kept prices relatively stable.

37. The process of globalization had had a powerful impact on all member States, particularly in relation to the economy and development, in which international industrial cooperation played a major role. It was good that the United Nations Industrial Development Organization (UNIDO) had set its new priorities and incorporated technological transfer and human resource development into its goals. Thailand looked forward to cooperating with UNIDO in that field.

38. The eradication of poverty in developing countries would lead to more equitable global prosperity. In that connection, the mobilization of external resources was crucial for poverty alleviation programmes. In order to accelerate the flow of resources to such programmes, donors should fulfil the aid targets to which they had agreed. Thailand looked forward to the debate which would be held on that topic at the World Summit for Social Development.

39. Lastly, with regard to the United Nations Centre for Human Settlements, Thailand supported the Secretary-General's view on the need to incorporate in the global plan of action tangible means of enhancing the implementation of preceding decisions. Unfortunately, interest in and financial contributions to the preparatory process had been insufficient.

40. Thailand was concerned to provide housing for low-income urban residents, and had integrated environmental improvement, income generation, betterment of the quality of life and community self-help efforts in its national housing strategy.

41. Sustainable development being multi-dimensional, it was important to address all such issues, and Thailand looked forward to continuing its cooperation with the United Nations and its agencies and with other Member States in fulfilling the commitments of the Uruguay Round and Cartagena.

42. Mr. AHMED (Bangladesh) welcomed the conclusion of the Final Act of the Uruguay Round of multilateral trade negotiations; he hoped that it would be quickly ratified by all States and that it would permit the establishment of a rule-based and transparent international trading system.

43. However, he feared that some of the provisions adopted on that occasion might negatively affect some developing countries, especially the LDCs. Therefore, it seemed essential to him that those countries should be accorded preferential treatment so as to allow them also to benefit from the liberalization of trade. For that purpose, their improved access to markets and the elimination of tariff and non-tariff barriers to their exports, for example those involving environmental or other conditionalities, must be expedited. Compensatory measures needed to be implemented to assist LDCs, particularly net food importing countries, to attract direct investment and diversify their economies.

44. WTO, the establishment of which was provided for in the Final Act, would have to cooperate closely with UNCTAD, whose role as a forum for policy analysis, consensus-building and technical cooperation was well recognized. UNCTAD's reports on trade and development had proven to be extremely useful. His delegation felt strongly that UNCTAD should be provided with adequate resources to respond to the new order in international trade.

45. At its spring session, UNCTAD had recommended various measures to make the necessary preparations for a high-level mid-term global review of the Programme of Action for the LDCs for the 1990s. That review was even more significant due to the rapid increase in the number of LDCs. Participation of high-level delegations from the developed countries was essential, but it was also necessary to finance the representation of the LDCs in order to enable their full and active participation in the process. Moreover, the capability of UNCTAD had to be strengthened in order to carry out the preparatory activities effectively and implement the recommendations of the review meeting.

46. A major challenge for the international community was the fact that over 1.2 billion people now lived below the poverty line. The causes of poverty were varied and complex, and to alleviate it would require increasing domestic saving, investing in productive sectors, diversifying the economy and creating a favourable international economic environment. In the circumstances, it was gratifying that the eradication of poverty was receiving special attention from the international community, as was attested by the conclusions of the International Conference on Population and Development, the agenda of the forthcoming World Summit for Social Development, the Fourth World Conference on Women and the decision to proclaim 1996 International Year for the Eradication of Poverty.

47. Bangladesh had made poverty eradication an absolute priority, and allocation for agriculture, health, education and family welfare now represented over 30 per cent of the State budget. As a result, progress had been made in agricultural and food production, industrial development in rural areas, the consolidation of small labour-intensive industries, access by landless farmers to public and private sectors credit, and assistance to disadvantaged women wishing to engage in income-generating activities.

48. Mr. Wonil CHO (Republic of Korea) welcomed the forthcoming establishment of the World Trade Organization and hoped that the Final Act signed at Marrakesh would be ratified promptly by all States. Although he was aware of the concerns about its implementation that had been raised by some developing countries, he hoped that the impetus it should give to world trade would benefit both developing and developed countries. Encouraged by reforms introduced in the developing countries, the developed countries should, in a context of renewed North-South cooperation, expand their investments and capital inputs, transfer technologies, assist in the development of human resources and alleviate the debt burden of the least developed countries.

49. Today, about one seventh of the world population suffered from hunger and malnutrition. Food shortages were one of the main factors contributing to social disintegration in the developing countries. Establishing conditions conducive to sustainable food security was crucial to economic growth. Considering the steady deterioration of the natural ecosystem, which formed the basis of food production, food security was clearly the shared responsibility of developed and developing countries. Technology transfer for improved agricultural productivity was therefore crucial. That was why the Republic of Korea, through the Korea International Cooperation Agency, provided developing countries with technical assistance in that field.

50. The developing countries were all too dependent on price fluctuations on the international commodity markets. As the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) had proposed in his report (A/49/226), they should pursue a policy of linkage creation by exporting manufactured value-added products and give top priority to reforms that would facilitate exports. The developed countries and the multilateral financial institutions, for their part, should provide adequate assistance to developing countries to enable them to become more competitive on international markets and accelerate the diversification process.

51. Many countries, particularly the least developed among them, were confronted with absolute poverty, which they should tackle by focusing on sound economic policy and good governance in order to foster political stability. Governments should take measures to reduce unemployment by taking steps to reduce poverty in urban areas and to develop rural areas. As was stipulated in Agenda 21, since the fight against poverty was the shared responsibility of all States, the international community should redouble its efforts to that end. The delegation of the Republic of Korea had high expectations of an agenda for development and hoped that the World Summit for Social Development would afford an opportunity for devising, with the cooperation of all, an effective plan of action for poverty eradication.

52. The economies in transition had made major strides towards market-oriented economies but had met with great difficulties in the process. Their integration into the world economy, through the development of their exports and the implementation of structural adjustment policies, would have a positive effect on the expansion of international trade and consequently on the growth of the global economy.

53. The economic growth of those countries and that of the developing countries was inextricably bound up with the international economic environment and, more than ever before, called for a strengthened multilateral system. The assistance provided to them should be concentrated on potential growth areas. The delegation of the Republic of Korea was convinced that the role of the United Nations and of the specialized agencies should be revitalized to meet that challenge.

54. Mr. TANASESCU (Romania) said that his country attached great importance to the question of the relationship between trade and development. An open world trade system could benefit all countries but was vital to developing countries and economies in transition. Economic growth depended on increased export earnings; at the same time, enhanced export opportunities were an incentive to foreign investment.

55. Romania had therefore embarked on a process of opening up its economy. It had established a new institutional framework to promote the development of trade within the context of a market economy and had undertaken wide-ranging reforms designed to stabilize the economy and lay the foundations for sustainable growth, in particular through rigorous monetary and fiscal policies and the privatization of State-owned companies. There were, of course, constraints; privatization, for instance, was restricted by the insufficiency of domestic private capital. The transition process as a whole was contingent on the international economic environment.

56. Romania also desired to conclude cooperation agreements with other countries and to develop its trade. In 1993, it had signed an association agreement with the European Community which had proved particularly beneficial. It had participated with great interest in the International Symposium on Trade Efficiency, jointly organized by UNCTAD and the Government of the United States of America, from which it had drawn the necessary conclusions. Such symposiums responded to the real needs of the new economic agents in the economies in transition, and action by international institutions in the field of international trade, whether global or regional, should be supplemented by information on trading practices and quality standards at the international level.

57. The Final Act of the Uruguay Round of multilateral trade negotiations held out the promise of a revival in international trade. Romania welcomed the establishment of WTO. For it to be successful, it was essential that all States should participate in its work. The economic revival registered in 1994 and the implementation of the provisions of the Final Act offered encouraging prospects for the world economy on the threshold of the year 2000.

58. He expressed his delegation's satisfaction with the report of the Secretary-General on the integration of the economies in transition into the world economy (A/49/330). Taken together with the World Economic and Social Survey and the Economic Survey of Europe it portrayed the efforts made by the economies in transition to overcome the hurdles they faced in adapting to the market economy and described the measures taken by United Nations organizations

to integrate them into the world economy. Romania counted on the support of the Economic Commission for Europe, which was the best placed agency within the United Nations system to provide assistance to the economies in transition.

59. Mrs. ARYSTANBEKOVA (Kazakhstan) said that she had carefully studied the Secretary-General's report entitled "Transit transport systems of the newly independent and developing land-locked States in Central Asia and their transit developing neighbours: current situation and proposals for future action" (A/49/277). The subject was of the utmost importance, for political as well as technical reasons, since the development of a modern transport infrastructure was crucial to the success of the region's democratic and economic transformation. Accordingly, it was to be hoped that the General Assembly would endorse the report's recommendations, particularly the recommendation that authoritative conclusions should be made available so that the necessary priorities could be established and support sought for implementation action needed to bring into being the new transit routes. While long-term solutions would require strenuous efforts on the part of the countries of the region, with the support of the international community, the competent international organizations should immediately focus their attention on the short-term problems and provide technical assistance, for instance in elaborating transit facilitation agreements, possibly within the framework of existing international conventions which set standard rules in the field of transport and transit. Kazakhstan and other countries were eager to develop cooperation in that sphere and had joined the Economic Cooperation Organization which was gaining momentum. The development of the transport infrastructure was high on the agenda of that organization's programme of work. Kazakhstan welcomed the development of cooperation between the new organization and UNDP, the Economic and Social Commission for Asia and the Pacific (ESCAP), the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA), as well as with the European Union.

60. In the broader context of the development of international trade, Kazakhstan welcomed the successful conclusion of the Uruguay Round and appreciated that the reliable and orderly multilateral trading system to which it would lead would benefit all. For Kazakhstan, as for other economies in transition, particularly the least developed and land-locked among them, to reap those benefits, however, its trading partners and international organizations should support national efforts to develop and diversify its trade. Success in those efforts required greater access to international markets, together with the restoration of severed traditional trade links and the establishment of favourable conditions for the expansion of trade and cooperation with developing countries. Given Kazakhstan's lack of experience with multilateral trade, her delegation viewed technical assistance from the competent international organizations as highly valuable and welcomed the conclusions and recommendations of the Secretary-General's report on strengthening international organizations in the area of multilateral trade (A/49/363) and the increasing role of UNCTAD in that process. There was no doubt that the integration of Kazakhstan's economy and the other economies in transition into the world economy would ensure the irreversibility of the current democratic reforms while

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improving the international economic environment as a whole and strengthening global stability.

61. Unfortunately, the observations contained in the report on the integration of the economies in transition into the world economy (A/49/330) with regard to the economic performance of the countries in transition, the pace of their market reforms and the difficulties encountered applied to Kazakhstan. During the first quarter of 1994, Kazakhstan's gross domestic product had fallen by 30 per cent, compelling the Government to launch, in June 1994, a three-stage economic revival programme. The first stage (June-December 1994) aimed to bring inflation down to 10 per cent, thereby ensuring economic stability during the second stage (January-September 1995), which should pave the way for the third stage: a new economic policy based on price liberalization, legal reform in the field of taxation, banking and investment, consistent anti-inflation measures, improvement of entrepreneurial management and privatization.

62. Kazakhstan remained a strong supporter of regional cooperation and welcomed the establishment, at the most recent summit meeting of the Commonwealth of Independent States, of the Inter-State Economic Committee and Payment Union.

63. There was a misleading notion that Kazakhstan's rich mineral resources would enable it to move quickly towards the market economy. That belief overlooked how much Kazakhstan had to do to correct the serious imbalances in its economy and to establish the basic institutional infrastructure for a market economy. Like other economies in transition, Kazakhstan would not be able to tackle those problems without concerted support from the international community. Kazakhstan greatly appreciated the assistance provided by the United Nations system. Unfortunately, as the Secretary-General noted in his report (A/49/330), the international community's efforts to assist the economies in transition had not yet produced the expected results, and it was necessary to enhance coordination among all the donors, and in particular among United Nations bodies. While strongly supporting the continuation of the efforts under way, Kazakhstan believed that international organizations should pay greater attention to the diversity of the stages of development and the problems encountered.

64. The integration of the economies in transition into the world economy should be one of the priorities for action by the United Nations, and the Second Committee should take decisions on the important issues raised in the new spirit of cooperation and partnership that marked the negotiations in progress within the Committee.

The meeting rose at 12.15 p.m.

UNITED NATIONS
General Assembly
FORTY-NINTH SESSION
Official Records

SECOND COMMITTEE
24th meeting
held on
Monday, 14 November 1994
at 3 p.m.
New York

SUMMARY RECORD OF THE 24th MEETING

Chairman: Mr. KHAN (Pakistan)

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The meeting was called to order at 3 p.m.

AGENDA ITEM 88: SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued) (A/49/204-E/1994/90, A/49/205-E/1994/91, A/49/229, A/49/256, A/49/307, A/49/378, A/49/381, A/49/395, A/49/412-S/1994/1078, A/49/422-S/1994/1086, A/49/424 and Add.1, A/49/479, A/49/493-S/1994/1142, A/49/506, A/49/542)

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(g) UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS (HABITAT II) (continued) (A/49/37, A/49/272, A/49/640)

(h) INTERNATIONAL COOPERATION FOR THE ERADICATION OF POVERTY IN DEVELOPING COUNTRIES (continued) (A/49/572)

(i) UNITED NATIONS INITIATIVE ON OPPORTUNITY AND PARTICIPATION (continued) (A/49/287-S/1994/894 and Corr.1, A/49/541)

1. Mr. DESAI (Under-Secretary-General for Policy Coordination and Sustainable Development), introducing the note by the Secretary-General on renewal of the dialogue on strengthening international economic cooperation for development through partnership (A/49/542), said that the subject was of vital importance for the work of the Committee and of the United Nations. It was essential to establish a forum for such dialogue so that development cooperation among countries could be based on an understanding of mutual interests, aims and commitments.

2. The note, submitted in pursuance of General Assembly resolution 48/165 of 21 December 1993, contained an analysis and recommendations concerning ways of promoting dialogue on strengthening international economic cooperation for development through partnership.

3. Such a dialogue was essential in view of the growing interdependence of countries in the environmental, economic and social fields, which called for a

forum in which they could harmonize their interests, forge agreements, formulate shared objectives and prepare joint programmes.

4. The time had come to think about new forms of dialogue. The major changes that had occurred in recent years warranted a certain amount of optimism regarding the possibility of preparing constructive and effective joint action programmes in different areas and between countries at different levels of development, learning from the mistakes and successes of the past.

5. He was interested in hearing proposals on how to strengthen existing forums and suggestions regarding what other types of forums could be used. He was also interested in considering the interaction between forums within and outside the United Nations and between Governments and non-governmental participants.

6. The content of the dialogue would depend on the whole range of developments in the United Nations system. Discussions in the Committee were closely interlinked with discussions regarding the conclusions and recommendations of the Secretary-General's report on an agenda for development. The form and content of the dialogue concerning development would be of key importance for the activities of the United Nations and for international economic and political development.

7. **Mr. ZÊBRAKOVSKỲ** (Czech Republic) said that his country had been created two years previously at a time of global economic recession and of disintegration of Eastern European markets but also at a time of growing integration and liberalization. Those trends had had a significant impact on the pace and planning of economic restructuring and development in the Czech Republic. Paradoxically, the increasingly pronounced economic and political integration processes throughout the world were frequently accompanied by separatist tendencies. Integration groupings were being formed or restructured in many regions with a view to creating more favourable conditions for the movement of goods, services, capital and labour within the new groups.

8. As a small State, the Czech Republic could not stand apart from major global development trends and it had sought to strengthen its position with respect to international trade and economic cooperation. After the partition of Czechoslovakia, the Czech Republic had become a member of the General Agreement on Tariffs and Trade (GATT) and had taken part in the Uruguay Round of multilateral trade negotiations, making significant concessions in terms of access to its markets for industrial and agricultural goods and services. The Czech Republic was confident that improved market access and the formulation and implementation of equitable multilateral trade rules would ease the transition to a market economy, facilitate economic reform and stimulate sustainable economic growth and the integration of the countries concerned into the multilateral trade system and the world economy.

9. The programme of the World Trade Organization (WTO) should reflect each country's needs and priorities in a balanced and equitable way. Addressing such issues as business practices, anti-trust regulations and multilateral trade rules would strengthen the world economy. Countries whose economies were in

transition needed better access to markets and fair application of trade rules and competition. The multilateral trading system should play an effective role in that process.

10. The transformation of the economies of the Czech Republic and other Central and Eastern European countries provided increased market opportunities for trading partners, including developing countries.

11. Sustainable development and international economic cooperation were closely intertwined; together they represented an important development concept for future decades. The international community understood and accepted that concept, and there were institutional structures for it within the United Nations system, specifically, the Commission on Sustainable Development.

12. There were serious issues to be tackled, such as the transfer of technology, industrial development cooperation, adjustment of national or regional development strategies to the available capacities, and the eradication of poverty. The great potential of all countries for achieving sustainable development could be realized, if everyone adopted more rational and sensible economic policies.

13. The potential for cooperation among developing countries and between developing countries and countries in transition was still underutilized. In addition, procedures for the transfer of technology, within or outside the United Nations, must be improved not only in terms of comprehensiveness, adequacy and the speed with which information was processed and requests were dealt with, but primarily in terms of the principles and "philosophy" of such transfers and the corresponding organizational arrangements.

14. Mr. RAKOTONAIVO (Madagascar) said that the item under consideration was very important, because it related to two essential goals: assessment of progress in the implementation of the decisions and recommendations of the eighth session of the United Nations Conference on Trade and Development (UNCTAD), and analysis of the establishment of the world trade system resulting from the Uruguay Round. UNCTAD should play an important part in the field of technical cooperation in order to help the developing countries, and especially the least developed countries, take maximum advantage of the Marrakesh Agreements.

15. His delegation welcomed the structural reform of the intergovernmental machinery of UNCTAD as reflected in the creation of three Ad Hoc Working Groups on Trade, Environment and Development, on the Role of Enterprises in Development, and on Trading Opportunities in the New International Context.

16. The major trading countries should promptly ratify the Final Act of the Uruguay Round, so as not to delay the establishment of the World Trade Organization (WTO). The new organization's governing bodies and the decisions taken should be based upon transparent, universal and democratic machinery, and should ensure sufficient participation of the developing countries and strict and equitable application of the new rules and multilateral disciplines. Also,

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the agreements should be complemented by provisions to ensure close supervision of those rules and disciplines, including special measures in favour of the least developed countries.

17. His delegation shared the concern expressed by the developing countries regarding the negative effects of the Uruguay Round agreements, in terms of the erosion of preferential margins and the availability of adequate supplies of foodstuffs in conformity with existing conditions.

18. The question of trade flows should be considered in the context of the development of third world countries and relations between the commodities sector and the other sectors of the economy. The obstacles impeding the access of products from developing countries to international markets must be removed, for the free trade system resulting from the Uruguay Round might well impose additional restrictions on the countries of the South.

19. Regarding international assistance, it was necessary to take account of the problems referred to at the Conference of African Ministers of Trade held recently in Tunis: the immense need for financial and technological resources, the increase in production capacity, and the diversification of commodities. Madagascar also attached great importance to the establishment of a diversification fund for Africa's commodities.

20. The eradication of poverty in the developing countries was one of the greatest problems facing the international community. Poverty could only be overcome if economic growth was accelerated and sustained and if radical solutions were found to the economic, political and social problems which were the underlying causes of underdevelopment. The international strategy to combat poverty should not be restricted to exchanges of information; it should include concrete measures relating to job creation, improvement of markets and social and political institutions, participation of the most vulnerable groups in development, social protection for the poorest sectors, and implementation of Agenda 21.

21. Mrs. MAIKARFI (Niger) said that, as the Secretary-General had pointed out in his report (A/49/572), poverty remained the major single social ill on the global scale. For that reason, Niger welcomed the proclamation of 1996 as the International Year for the Eradication of Poverty, and the fact that the struggle against poverty was one of the main themes of the World Summit for Social Development.

22. The scale of the problem was evident. It had been documented in numerous studies, surveys, campaigns and agreements which had also identified those parts of the world in which the situation was most critical. According to the World Economic and Social Survey, 1994, 90 per cent of the 1,500 million people living in absolute poverty were concentrated in the developing countries, particularly Africa and Asia. In the least developed countries, it was no longer a question of poverty, but rather of chronic squalor.

23. She was pleased to see that it had been acknowledged in various international instruments and at various meetings, that the international community had a collective responsibility to combat poverty. As the Secretary-General pointed out in his report a few concrete and urgent decisions and measures would suffice to bring about a considerable alleviation of the tragic consequences of poverty.

24. In the face of the appalling spectacle of 1,500 million people living in poverty, there was little point in reiterating the importance of the struggle against poverty, unless the aim was to salve one's conscience at little cost to oneself. There was little point in reiterating that there was an indissoluble link between development, peace and international security, unless those words were followed by practical deeds. While acknowledging the efforts made by numerous donor countries, for whose help Niger was grateful, she said that much remained to be done.

25. Within the United Nations system, the measures taken to combat poverty should aim at the provision of basic social services, such as health, education and housing, and the creation of jobs in order to increase household incomes. To be successful, those measures should be adopted in a more favourable economic environment, characterized by the cancellation or considerable reduction of all types of debt for all debtor countries, above all the least developed countries and particularly African countries; fulfilment by countries of their commitment to dedicate 0.7 per cent of their gross national product to official development assistance; improved access to world markets for the products of developing countries, and support for the industrialization programmes of developing countries by transferring appropriate and environmentally sound technology. By adopting those basic measures, donor countries could contribute to a radical alleviation of the effects of poverty and boost economic growth in developing countries

26. Mr. RAJKHAN (Saudi Arabia) said that the high standard of living and the job opportunities in the Gulf region attracted many foreigners. In Saudi Arabia alone there were 4 million foreigners employed in the public and private sectors. They unquestionably participated in and contributed to the development of Saudi Arabia. Moreover, with regard to international economic cooperation and the strengthening of that cooperation, the money sent by those foreign workers to their countries of origin helped to improve the standard of living and defray the cost of development and education programmes in those countries. The financial situation in such countries had improved because they had been able to finance their imports with those remittances. That, therefore, was an example of international economic cooperation in the broadest sense of the term.

27. Foreign workers in the Gulf region also acquired skills and technical training that helped to improve the standard of living of their countries of origin when they returned to them. What was taking place in Saudi Arabia was also taking place in the other countries that were members of the Gulf Cooperation Council and constituted a practical example of cooperation among developing countries.

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28. With regard to the strengthening of economic cooperation in the Middle East, Saudi Arabia had welcomed the peace process in the region, which would certainly help to strengthen the economies of all the countries of the region if genuine cooperation were achieved. The Minister for Foreign Affairs of Saudi Arabia, in his speech before the General Assembly at the opening of the current session, had pointed out that the member countries of the Gulf Cooperation Council had contributed to the peace process in the Middle East since it had begun in Madrid, had encouraged Arabs and Israelis to continue their peace negotiations and had made effective contributions to the multilateral negotiations. Saudi Arabia, for its part, was taking steps of various kinds, both bilateral and multilateral, to ensure that peace prevailed in the region, for peace was vital if the region's countries were to achieve sustainable development and be able to protect the environment. Saudi Arabia endorsed the reports of the Secretary-General on "An Agenda for Development" and "An Agenda for Peace" and was convinced that those programmes could be fully implemented only with the cooperation of the entire international community achieved through the United Nations.

29. International economic cooperation for the protection of the environment required a high degree of knowledge of the quantitative and qualitative aspects of that protection. It also required the application of advanced technology that many countries, including Saudi Arabia and other member countries of the Gulf Cooperation Council, did not possess. The donor countries would have to transfer that technology on favourable terms, a process that would help to strengthen international cooperation and narrow the gap between developed and developing countries.

30. Saudi Arabia was seeking to expand its industrial capacity in order to use the most modern production methods, for the benefit both of its own nationals and of all the peoples of the region, and required access to advanced technology in order to diversify its sources of revenue. The protectionism of the developed countries was slowing the growth of those new industries. The petroleum industry as an energy source was currently the object of measures, adopted under the pretext of protecting the environment, that stood in the way of healthy international trade. A distinction must be made between the financing of measures to protect the environment and proposals for the establishment of energy taxes. The implementation of such proposals would have a negative impact on the world economy in general and especially on the economies of the developing countries. Instead of protecting the environment, those proposals would be detrimental to international trade in the field of energy and create obstacles to the liberalization of trade and the strengthening of global economic activity. Furthermore, petroleum was already heavily taxed.

31. Before adopting economic measures to cope with climate changes, one must take account of the interrelationship between questions relating to energy, the environment and economic development, and the consequences of such measures must be analysed carefully. It was essential to formulate well-balanced global environmental-protection policies that were in keeping with the needs of sustainable economic development and did not thwart the liberalization of international trade.

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32. Anyone who claimed to possess sufficient technical know-how to transform the desert into a garden was dreaming. The effort to control desertification and drought must continue, for victory had not yet been achieved. In the Gulf region, for example, the shortage of water and its equitable distribution constituted one of the spheres in which international cooperation could have substantial effects. The United Nations should strive to ensure that all the parties concerned about that question had access to the requisite experience and technical know-how.

33. Mr. PURSOO (Granada), speaking on behalf of the 12 States members of the Caribbean Community (CARICOM) that were United Nations Member States and of Suriname, said that those countries endorsed the statement of the Chairman of the Group of 77 and the Secretary-General's report on a development strategy for island developing countries (A/49/227 and Add.1 and 2).

34. Island developing countries, in addition to the problems of developing countries in general, were faced with specific characteristics that adversely affected their ability to achieve sustainable economic development. In many of those island countries, such development handicaps had even led some to question their very economic viability. The CARICOM countries were not merely island developing countries: they were, above all, small and vulnerable countries.

35. Although the disadvantages experienced by island developing countries were well documented, the criteria by which their well-being was judged tended to obscure that reality. The gross national product (GNP) per capita, the yardstick generally used to measure the level of development, did not by itself adequately reflect their vulnerability to external influences, nor the various handicaps with which they had to contend. The GNP was the indicator used to determine whether such countries deserved financial and technical assistance, with the result that their development prospects were curtailed still further. In his report, the Secretary-General advocated the construction of an indicator more in keeping with the peculiar characteristics of those economies.

36. The international competitive environment of the 1990s was usually not so competitive when it came to island developing countries, since their business initiatives were highly vulnerable to external dictates and frustrated by trade regulations that prevented them from competing on the markets of the more developed countries.

37. Island developing countries had been excluded from the giant trading blocs. Although the implications of the application of the Final Act of the Uruguay Round for the trade and development prospects of those countries had not yet been fully assessed, everything seemed to suggest that it would add to their marginalization and dependency. Talk of "aid fatigue" was intended to make the island developing countries of CARICOM understand that overdependence on aid might ultimately be detrimental to the long-term well-being of their economies.

38. Consequently, those countries had formulated their economic development objectives with a view to achieving economic self-sufficiency and genuine sustainability within a context of global interdependence. At the same time,

they felt concern over the widespread preoccupation with preordained development patterns. It was as if a development superhighway was contemplated for the rich, the mighty, the poor and the lame alike, regardless of their respective capabilities for travelling on it. If the global development agenda failed to recognize the specific vulnerabilities and needs of island developing countries, their very survival might be endangered.

39. The CARICOM member States wished once again to express their appreciation to the United Nations for convening the first Global Conference on the Sustainable Development of Small Island Developing States, which had been held in Barbados from 25 April to 6 May 1994. The CARICOM member States also wished again to express their satisfaction at the outcome of the Conference. In his statement before the Conference, Mr. Gerard R. Latortue, head of the delegation of the United Nations Industrial Development Organization (UNIDO) had noted that the concept of sustainability needed to be seen in the context of the rapid improvements in technology and had said that any country whose industry did not adjust to those changes would in fact be moving backwards. One of the most pressing economic development problems confronting the small island developing countries in the 1990s was their lack of the necessary technology and research and development capacity to compete in the current international economic environment, particularly in the areas of manufacturing and agriculture. There was an urgent need for those countries to employ more innovative means of developing their economies and for the international community to pay particular attention to their constraints and disadvantages and to assist them in their efforts to generate self-sufficiency.

40. Regional cooperation and integration offered opportunities for island developing countries to alleviate the limitations and constraints associated with smallness and remoteness.

41. In recent times a new phenomenon had sprung up in certain metropolitan areas of the world: the development of large migrant communities made up of people from the island countries. Those new communities constituted ideal markets for the commodities of the island countries, since the tastes and cultural identities of those communities had already been established and were well known. Unfortunately, there were still barriers to those markets in the form of regulations that required extensive organizational arrangements and large amounts of investment capital in order to bring the commodities to those communities. Most commodity exports from tropical islands were perishable. The lack of appropriate transportation, cumbersome custom regulations and difficulties in fulfilling other trade requirements were inhibiting island producers and sapping their entrepreneurial spirit.

42. In a world characterized by gross imbalances and varying opportunities, the disadvantaged countries must be afforded special assistance, even if only with a view to the attainment of specified objectives. The time had come to adopt vigorous measures to correct those imbalances.

43. Mr. PIRIZ BALLON (Uruguay), speaking also on behalf of Argentina and with reference to agenda item 88 (d), said that culture belonged on an equal footing

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with politics and economics because, as a key component of nationhood, it was vital for growth, understanding and exchanges in human relations.

44. Since the whole world was undergoing profound changes, and culture had assumed much greater importance, every country and region must be prepared to deal with the new technology, the computer revolution and the new media and concepts in communications in order to use the cultural heritage and traditions to foster the advancement and well-being of peoples. Consequently, Argentina and Uruguay firmly supported the idea of considering the issue of culture in its broadest sense. The international community must foster a development approach aimed at achieving material prosperity and satisfying the needs of human beings, in particular with respect to the full enjoyment of their rights, freedom and cultural identity. On the eve of the twenty-first century, culture should be concerned with overcoming the scientific and technological gap between rich and poor societies, all kinds of discrimination and child abuse, and achieving universal education, equal opportunities, the emancipation of women and the eradication of war.

45. The international community must include those issues in the programmes of the United Nations Educational, Scientific and Cultural Organization (UNESCO) and of other international agencies dealing with cultural development issues.

46. UNESCO had played an important role in the promotion of cultural development, particularly during the World Decade for Cultural Development. However, it was disturbing to note that the multiplicity of activities undertaken by the organization to promote the Decade was making it difficult to work on a detailed and precise analysis of development issues.

47. Mr. MIHALIK (Slovak Republic), referring to the integration of the economies in transition into the world economy, said that his country's economy was an economy in transition that had showed signs of recovery in 1994.

48. Support for a favourable international environment was required if the Slovak Republic's recovery was to be sustainable. That, in turn, was linked to factors such as access to foreign markets (especially those of the European Union), which was being hampered by protectionism (in spite of the liberalization achieved through various recent agreements with the European Union and the European Free Trade Association (EFTA)); the expansion of cooperation and trade among the economies in transition and encouragement for the creation of market institutions that would facilitate intra-group trade and broader economic cooperation; greater trade efficiency and the expansion of trade and cooperation with developing countries.

49. On the other hand, there were national economic problems such as high unemployment, heavy indebtedness of State-owned enterprises, the need to update the commercial banking sector, pressures on the domestic budget and imbalances in some social spending.

50. The most important issue in policy adjustment was securing a close relationship between macroeconomic and structural policies and institutional

building. His country's basic objectives were to achieve non-inflationary sustainable growth, reduce unemployment and raise living standards. Priority was being given to the process of privatization and it was expected that by 1995 the private sector's share in the gross domestic product would rise from its current level of 46 per cent to 64 per cent.

51. Any support from multilateral and bilateral sources would be welcomed. Promoting a favourable internal economic environment with a view to integration into the world economy required timely assistance. Such assistance should now consist mainly of foreign direct investment. Neither the delivery of assistance nor foreign direct investment had met expectations. The investment level necessary for restructuring Slovak industry on the basis of entrepreneurial projects would represent about 500 billion crowns for the period 1993-2000. Between 60 per cent and 75 per cent of that amount would have to be covered by outside resources.

52. Foreign trade was another factor in integrating the economies in transition into the European and world economies. His country's exports had been affected by the collapse of the markets of the former Council for Mutual Economic Assistance (CMEA), the recession in western Europe and the sanctions imposed by the Security Council on the Federal Republic of Yugoslavia. As a result of those sanctions, the Slovak Republic, a traditional Danube trade partner, had lost about $450 million. The establishment of trade and cooperation agreements in that area would improve his country's overall situation and bolster its capacity to export competitive goods.

53. The Slovak Republic welcomed the conclusion of the Uruguay Round and hoped that it would give a new impetus to a rule-based multilateral trading system and would result in greater transparency and predictability in global markets; it also welcomed the special assistance given to the transition economies by the United Nations system, including the assistance provided by the Economic Commission for Europe.

54. Ms. DARMANIN (Malta) said that a human existence in dignity lay at the core of any international cooperation in solving problems of an economic, social, cultural or humanitarian character. The delegation of Malta, therefore, attached fundamental importance to the reduction and eradication of poverty. Throughout its 50 years of existence, the United Nations had made innumerable efforts in that area, but poverty remained a primary concern for the international community, since it afflicted one fifth of the total world population.

55. Although substantial economic progress had been witnessed in some South-East Asian countries, although signs of recovery were appearing in the developing world and the economies in transition had made progress towards economic and political adjustment, the economic situation of many developing countries remained critical with no hope of aid or improvement in sight.

56. After endless discussions, plans and proposals on development, the time had come to make use of the knowledge gained to bring about real solutions to real

problems. It was difficult to identify a point of departure, especially regarding economic development, but there was no doubt that the most important and basic element of development was the human being. Economic growth and development depended almost entirely on the ability of a nation to enhance the human dimension and make it into a driving force behind growth. The lack of development in certain areas called for the international community to make capacity-building its main task.

57. A broader international approach to food security, reduction and eradication of poverty, lower unemployment, development of infrastructure and transfer of technology was needed in order to create a global environment conducive to sustainable development. The successful completion of the Uruguay Round following seven years of negotiations should have a positive impact on the world economy. Its achievements included the Agreement on Agriculture and the Agreement on Textiles and Clothing. The establishment of the World Trade Organization marked an unprecedented achievement in the creation of a more buoyant international economic system, and her delegation looked forward to the entry into force of the Final Act in 1995.

58. By the year 2000, half of humanity would live and work in cities; the other half would depend increasingly on cities for economic survival. Urban centres, however, were seriously affected by overcrowding, environmental degradation, social disruption, unemployment, and poor housing, infrastructure and services. The forthcoming United Nations Conference on Human Settlements (Habitat II) would provide an excellent opportunity to address those problems.

59. The industrialized nations could provide the technical knowledge which would ensure that industrial development was achieved in a sustainable manner, not at the expense of the environment. Her delegation welcomed the effectiveness with which the Commission on Sustainable Development was functioning. At the meeting recently held in Tunis on the sustainable development of the Mediterranean region, Malta had proposed that the principle of sustainable development should be incorporated into the framework of the Mediterranean Plan. Malta also considered the current debate on an agenda for development and the forthcoming World Summit for Social Development among the most important initiatives aimed at addressing socio-economic problems.

60. It had been thought that, with the end of the cold war, the fight against poverty would be intensified. That had not happened. Better governance and regional and international cooperation, complemented by political determination, could lead to the final defeat of poverty, the promotion of sustainable development, and, in the end, the elimination of the grave threat to peace and stability that lack of development represented.

61. Mr. YOTOV (Bulgaria) said that his country agreed that the successful conclusion of the Uruguay Round was a prerequisite for creating a more favourable economic environment for the expansion of the world trading system and for the integration of all countries into the world economy. Bulgaria attached particular importance to becoming an original member of the World Trade

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Organization, and would finalize negotiations for accession to GATT before the deadline.

62. As noted from the World Economic and Social Survey 1994, although the world economic situation showed some positive trends in terms of economic performance in the industrialized countries and in a number of developing countries, the situation in most of the economies in transition, including Bulgaria, remained precarious. Bulgaria was endeavouring to continue with market-oriented reforms aimed at its full integration into the world economy and particularly into European economic structures. In its view, improved market access was much more important in terms of supporting the reforms than any other form of assistance. It shared the opinion, therefore, that a greater degree of tariff liberalization, in compliance with the GATT rules, would give new impetus to the expansion of international trade and would create a supportive international environment for economic growth and development.

63. The Government of Bulgaria, aware of the importance of establishing an adequate institutional and legal framework at the national level for the smooth functioning of a market-based economy, had taken radical steps to liberalize trade and deregulate the economy and had further liberalized the banking and financial systems; it had also adopted sound foreign exchange policy, concluded trade agreements with the member States of the European Union, the European Free Trade Association and the Group of 24 and completed foreign debt rescheduling negotiations with the London and Paris Clubs. In 1994, the Government had adopted an ambitious programme to continue macroeconomic stabilization. Although significant efforts were still needed to complete the economic restructuring, Bulgaria was determined to speed up the pace of reform.

64. Bulgaria welcomed the efforts made by UNCTAD at the fortieth session of the Trade and Development Board to analyze the impact of the Uruguay Round on the international trading system and, in that context, to examine the opportunities and problems that developing countries and the economies in transition would face in seeking to increase their participation in international trade in goods and services during the 1990s. The UNCTAD programmes were useful and pragmatic, especially the Trade Efficiency Programme; the latter should continue after the international trade symposium in Columbus, Ohio.

65. Integrating the countries in transition into the world economy remained a priority task for the international community if it wished to achieve stable economic development; the latter would be severely hampered if the reforms under way in those countries failed to produce tangible results within a reasonable time-frame.

66. The report of the Secretary-General (A/49/330) contained useful conclusions, and Bulgaria agreed with the observation that the efforts of the international community in assisting the economies in transition, whether at bilateral, regional or international levels, had not yet produced the expected results.

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67. Given the magnitude and complexity of the reform process, significant international support was required. The United Nations and its specialized agencies should continue to strengthen their activities aimed at supporting that process. The potential of the United Nations system should be better utilized at the regional and international levels. Cooperation and coordination between the United Nations and the international financial institutions should be strengthened. Also, improved cross-sectoral and inter-agency coordination was needed within the United Nations in order to offer a more viable response to the needs of those countries.

68. Mr. GAMZOU (Israel), referring to the report of the Secretary-General on food and agricultural development (A/49/438), expressed particular concern about strong evidence that agricultural output could not be increased in an environmentally sustainable manner if current agricultural practices and trends continued. Feeding an increasing world population would require vast cooperative efforts with a view to the diversification of agriculture and the use of farming techniques which would contribute to environmental regeneration.

69. He stressed the urgency of finding the necessary means to resolve the extremely serious problems of poverty, hunger, desertification and environmental degradation and of intensifying collective efforts to take agreed and effective action.

70. Israel believed that its experience could be very useful to the rest of the world. In a single generation, Israel had increased its agricultural production at an unprecedented annual growth rate of 10 per cent. That demonstrated that even poorly endowed regions could be developed through sophisticated agriculture in a sustainable and environmentally-friendly manner. In addition to cultivating new varieties of fruits and vegetables and seeds of high genetic quality, it had achieved the highest degree of water control in the world with the aim of turning arid deserts into fertile soil.

71. Agriculture was one of the chief sectors in which Israeli farmers and scientists could cooperate with their Arab neighbours. Israel was prepared to become an active partner in a joint effort to develop agriculture in the region and to maximize food supplies from domestic sources. To that end, it was making its agricultural know-how available to its neighbours and other countries in the areas of irrigation, high-quality seeds, artificial insemination, machinery and agricultural extension. It was also prepared to cooperate in developing agricultural trade in the region.

72. Israeli and Egyptian farmers had already succeeded in creating a model of cooperation in agriculture and agricultural cooperation was one of the pillars of the peace treaty between Israel and Jordan and of the agreements between Israel and the Palestinians.

73. Israel, which was interested in cooperating with countries in other parts of the world as well, was prepared to participate actively in projects administered by the Food and Agriculture Organization of the United Nations

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(FAO), the United Nations Development Programme (UNDP) and other international agencies.

74. Mr. RADHY (Bahrain) noted the tremendous political and economic impact of the changes which had taken place in the world and which had driven the reform of the United Nations with a view to meeting countries' expectations in the economic and social spheres and in the area of security. Many observers believed that the current economic situation was encouraging and held greater promise for economic and social development, provided that the international community adhered to the principles and commitments relating to development contained, in particular, in the Declaration on International Economic Cooperation and Agenda 21 and implemented the International Development Strategy for the Fourth United Nations Development Decade.

75. The signing of the Final Act of the Uruguay Round at Marrakesh marked the beginning of a new era. It was to be hoped that the international trade system would be strengthened on the basis of transparency, equity and non-discrimination. His Government was concerned about the tendency to impose certain forms of protectionism on environmental pretexts. It appealed to the international community to abandon protectionist measures which closed international markets to the exports of developing countries. In keeping with the spirit of international cooperation, developed countries must help developing countries to integrate into the international economy.

76. His delegation echoed the request of the Secretary-General for greater cooperation in multilateral trade and his appeal for improved cooperation between the United Nations and GATT. It also welcomed the most recent activities of UNCTAD designed to coordinate United Nations efforts with a view to addressing more effectively questions relating to development and trade, financing, investment, services and the technology of developing countries. It was also to be hoped that cooperation between UNCTAD and the World Trade Organization (WTO) would produce positive results.

77. The eradication of poverty was another challenge facing the international community. While it was clearly an effort in which all Member States must engage - for it was incumbent on them to devise and implement national policies to satisfy the basic needs of their peoples - poverty eradication was also the responsibility of the international community. The international community must redouble its efforts, building on past experience, to create a secure and stable economic environment. The World Summit for Social Development, to be held at Copenhagen in 1995, would provide an historic opportunity for the highest political authorities in the world to formulate a strategy for the permanent eradication of poverty, and for the United Nations to submit studies which would help determine the economic and social causes of poverty with a view to formulating programmes for their elimination.

78. Mr. CISSE (Senegal) said that urban growth had become a world-wide phenomenon which had consequences for all sectors - including the economic, social, environmental and security sectors - in all countries. The United Nations Conference on Human Settlements (Habitat II) should seek to contribute

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specific solutions to the problems of cities in the areas of education, health, drinking water supply, energy and transport, and to questions relating to overcrowding, infrastructure, the disposal of wastes and hygiene. It would also be necessary to deal with the problems of increased poverty, unemployment, social disintegration, ethnic tension and violence, crime, drug abuse, homelessness, the rural exodus and urbanization. Nor should vulnerable groups such as women, children, the disabled and marginalized groups be overlooked.

79. The objectives of Habitat II should also reflect the decisions and recommendations of the major historic United Nations conferences of the 1990s.

80. With regard to financing, donor countries, specialized agencies, the United Nations Environment Programme (UNEP), UNDP and the United Nations Children's Fund (UNICEF) must lend their support to the trust funds in order to enable the secretariat of Habitat II to help developing countries to prepare for the Conference.

81. Senegal supported the convening of a third session of the Preparatory Committee in New York in early 1996 in order to enlist the strongest possible political support on the part of Member States.

The meeting rose at 5.25 p.m.

UNITED NATIONS
General Assembly
FORTY-NINTH SESSION
Official Records

SECOND COMMITTEE
25th meeting
held on
Tuesday, 15 November 1994
at 3 p.m.
New York

SUMMARY RECORD OF THE 25th MEETING

Chairman: Mr. KHAN (Pakistan)

later: Mr. RAICHEV (Vice-Chairman) (Bulgaria)

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The meeting was called to order at 1.15 p.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (*continued*) (A/C.2/49/L.16)

Draft resolution A/C.2/49/L.16

1. Mr. AHMIA (Algeria), speaking on behalf of the Group of 77 and China, introducing draft resolution A/C.2/49/L.16, entitled "Report of the Committee for Development Planning: general review of the list of the least developed countries", said that the draft was based on decision 1994/225 of the Economic and Social Council which, in turn, was based on a recommendation by the Committee for Development Planning to amend the list of the least developed countries. He hoped that the draft resolution would be adopted by consensus.

AGENDA ITEM 89: ENVIRONMENT AND SUSTAINABLE DEVELOPMENT (*continued*) (A/C.2/49/L.17, L.18, L.19 and L.20)

Draft resolutions A/C.2/49/L.17, L.18 and L.19

2. Mr. AHMIA (Algeria), speaking on behalf of the Group of 77 and China, introduced draft resolution A/C.2/49/L.17, entitled "Dissemination of the principles of the Rio Declaration on Environment and Development", draft resolution A/C.2/49/L.18, entitled "International Day for the Preservation of the Ozone Layer", and draft resolution A/C.2/49/L.19, entitled "Observance of World Day to Combat Desertification and Drought". The three draft resolutions, which had no programme budget implications and on which no report had been requested from the Secretary-General, were based on the recommendations made at the United Nations Conference on Environment and Development. He hoped that they would receive consensus approval in the informal consultations.

Draft resolution A/C.2/49/L.20

3. Ms. WILLIAMS-MANIGAULT (United States of America), introducing draft resolution A/C.2/49/L.20, entitled "Unauthorized fishing in zones of national jurisdiction and its impact on the living marine resources of the world's oceans and seas", said that in the second line of the fifth preambular paragraph the words "largest share" should be replaced by "overwhelming proportion". The most important issue in recent international debates had been unauthorized fishing in zones under national jurisdiction, and she was confident that the programmes of assistance and the reporting mechanism would reduce the problem. She announced that Cape Verde and Morocco had joined the sponsors of the draft resolution.

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AGENDA ITEM 88: SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued) (A/49/204-E/1994/90, A/49/205-E/1994/91, A/49/229, A/49/256, A/49/307, A/49/378, A/49/381, A/49/395, A/49/412-S/1994/1078, A/49/422-S/1994/1086, A/49/424 and Add.1, A/49/479, A/49/493-S/1994/1142, A/49/506, A/49/541, A/49/542)

(a) TRADE AND DEVELOPMENT (continued) (A/49/15 (vols. I and II), A/49/227 and Add.1 and Add.2, A/49/228-S/1994/827, A/49/277, A/49/363)

(b) FOOD AND AGRICULTURAL DEVELOPMENT (continued) (A/49/438, A/49/507)

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(d) CULTURAL DEVELOPMENT (continued) (A/49/159-E/1994/62 and Add.1 and Add.2)

(e) INTEGRATION OF THE ECONOMIES IN TRANSITION INTO THE WORLD ECONOMY (continued) (A/49/330)

(f) INDUSTRIAL DEVELOPMENT COOPERATION (continued) (A/49/347, A/49/372)

(g) UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS (HABITAT II) (continued) (A/49/37, A/49/272, A/49/640)

(h) INTERNATIONAL COOPERATION FOR THE ERADICATION OF POVERTY IN DEVELOPING COUNTRIES (continued) (A/49/572)

(i) UNITED NATIONS INITIATIVE ON OPPORTUNITY AND PARTICIPATION (continued) (A/49/287-S/1994/894 and Corr.1, A/49/541)

4. Ms. WILLIAMS-MANIGAULT (United States of America) said that her delegation was pleased with the results of the United Nations International Symposium on Trade Efficiency held in October 1994 in Columbus, Ohio, under the auspices of the United Nations Conference on Trade and Development (UNCTAD). The symposium had demonstrated the willingness of the United Nations to move beyond dry discussions of economic policy to practical, real-world solutions.

5. There was a direct link between the development and application of technology, particularly telecommunications technology, and economic development. Because economic development was a function of free-market forces and trade liberalization, her delegation supported the free flow of goods and services in telecommunications and information technology for trade, and joined in the call for an end to barriers in those fields.

6. Participants in the Symposium had addressed the relationship of trade efficiency to development and had considered market-oriented solutions for increased involvement in international trade, access to technologies which created trade opportunities and the role of Governments in enhancing trade efficiency and competitiveness. Mr. Albert Gore, Vice-President of the United States, had encouraged Governments to promote private investment, competition,

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flexible regulatory frameworks, access to information networks and universal network service.

7. Her delegation shared the view that the partnership to promote development among all countries, developed and developing, relied on technical and technological assistance, with private-sector participation. Trade, not financial aid, was the way to future growth for developing countries. Promotion of electronic commerce worldwide should be based on the principle of equality of access to systems compatible with international standards. Immediate action to enhance participation in world trade was possible in the areas of customs, transport, banking and insurance, information, business practices, and telecommunications.

8. The following precepts for United Nations approaches to economic development had emerged from the Symposium: that economic development was driven by trade, not by external assistance; that domestic and international trade flourished best in an environment that encouraged private enterprise, supported a market economy and the removal of tariff and non-tariff barriers, and provided the legal and regulatory framework necessary to sustain commercial activity; that it was the sovereign responsibility of each country to develop the measures best suited to the growth of trade in that country in the light of national circumstances; and that the largest and most enduring financial flows from external sources were those that resulted from foreign direct investment in the most promising trading sectors of a country's economy.

9. The success of the Symposium had demonstrated that UNCTAD could play a useful role in promoting the expansion of economic opportunities. The Member States of the United Nations should continue taking concrete measures to redefine their mission, reform their institutions and modernize their terms of debate in order to ensure a partnership for development through trade based on mutual benefits and respect.

10. Significant reductions in poverty could be achieved through the creation of wealth, rather than its redistribution, which only led to an unsustainable situation of economic stagnation. Accordingly, she stressed the need for an environment conducive to the creation of wealth and the empowerment of all sectors of society. Sound and rational economic policies, political stability, open trade, transparent investment and regulatory codes, and technology exchange were far more important to the reduction of poverty than international programmes for the transfer of resources.

11. Her Government attached the greatest importance to the second United Nations Conference on Human Settlements (Habitat II), especially to issues of urbanization, and had been actively engaged in the preparatory process. Through the Agency for International Development, the United States would assist countries with their preparations for Habitat II, particularly with the drafting of national reports based on shelter and urban sector policy indicators. Her Government was making resources available to the Conference secretariat, and would contribute $700,000 for the various preparatory activities, in addition to its regular contribution to the United Nations Centre for Human Settlements.

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12. The transition of centrally planned economies to market economies was of great importance to the United States. The success of that transition depended upon the adoption of policies which encouraged individual initiative and created a favourable environment for entrepreneurs. The United States remained committed to the expansion and strengthening of the world's market-based economies. In that regard, she emphasized the importance of the positive contributions made by the International Monetary Fund (IMF), the World Bank, and the Economic Commission for Europe (ECE). Her Government continued to work closely with those organizations and with other Governments, looked forward to further progress on the transition process, and called upon the United Nations system and Member States to support that process.

13. Mr. ABELIAN (Armenia), referring to the Secretary-General's report on the integration of the economies in transition into the world economy (A/49/330), said his delegation wished to highlight a significant point: that the transition process would take longer and be more complicated than had been expected. The studies of the economies of socialist countries carried out by a small group of economists in the West had centred on how centrally planned economies functioned and had compared them to market economies, but had not examined the process of transition from one system to the other. The transformation process entailed reform of institutional policy, emphasizing efficiency in the economy, trade liberalization, fiscal and financial market reform, abolition of exchange and price controls, privatization, and liberalization of conditions for domestic and foreign investors.

14. As with all former Soviet republics, Armenia's economy had been strained by the changes following the disintegration of the former Union of Soviet Socialist Republics. It was also suffering from the blockade of transportation routes by Azerbaijan, an embargo by Turkey and the effects of the devastating earthquake of 1988. Despite those difficulties, Armenia had begun introducing significant reforms to create a market economy. Land reform was already complete, and the transfer of small and medium-sized industrial and commercial companies was currently under way. The process would continue until all government-operated firms which were capable of being privatized had been transferred. Banking reforms had been introduced, with a two-tier system comprising a central bank and a group of commercial banks. Armenia was now capable of cooperating with other countries in the field of development and growth, which would in turn encourage peace and stability in the region.

15. The presence of the United Nations specialized agencies and the various mechanisms being developed favoured the transition process. General Assembly resolutions 47/199, of 22 December 1992, and 48/209, of 21 December 1993, should be seen as important instruments in the planning and implementation of United Nations activities. However, the integrated United Nations approach still needed to be strengthened through the country strategy notes and Resident Coordinator system. Each country should take into account its own needs, traditions, values and ethics. The role of the United Nations in a changing world did not invalidate indigenous capabilities, nor did the Organization seek to replace them with imported models that would be difficult to integrate.

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16. His delegation welcomed the measures undertaken by the Secretary-General to strengthen the capacity of the United Nations system. Virtually all United Nations agencies, and the international community in general, had become involved in providing assistance to the transition economies. It was important to improve coordination on both levels, and to increase the flow of information between the country and regional programmes. His delegation welcomed the initiative taken by the Secretary-General requesting the Administrator of the United Nations Development Programme to assist in ensuring greater policy coherence and coordination.

17. The international community had channelled its support mostly through the Bretton Woods institutions. At the current stage, balance-of-payments assistance from those institutions would be particularly useful, since countries could then import what they needed in order to keep production going and establish modest social safety nets for people affected by the dislocations resulting from the transition and the long-term structural transformation.

18. The developing countries would benefit from the reforms in the centrally planned economies for, once the reforms were completed and economic growth had resumed, they would be able to export their goods to the former socialist republics and obtain capital and technology from them.

19. He was confident that the Committee would reinforce the positive groundwork begun with General Assembly resolutions 47/187, of 22 December 1992, and 48/181, of 21 December 1993.

20. Mr. LUEDIG (Estonia), speaking also on behalf of Latvia and Lithuania with reference to the integration of the economies in transition into the world economy, said that since the collapse of the former Soviet Union, each national economy in transition had been transformed in a unique manner and that there were now more differences than similarities among them. National transformation, a prerequisite for integration into the world economy, had involved difficult budgeting decisions and often unpopular policy choices. The future benefits of market economies should be balanced against the immediate social needs of the most vulnerable population groups. Fortunately, there were examples among the economies in transition that illustrated how conversion to free markets had increased national wealth and the ability to provide for those who genuinely needed assistance.

21. In some countries, privatization had led to dislocation of the labour market and high unemployment. Fortunately, the rapidity and success with which privatization had taken place in the Baltic States had laid a sound foundation for further market restructuring and a long-term solution to current labour concerns.

22. The economies in transition needed guidance on how to further integrate themselves into the world economy, since they still had to carry out a great number of institutional changes. As Member States of the United Nations, they deserved support from the Organization in terms of coordinated analytical activities, policy advice and technical assistance. If proper measures were taken during the transition period to assist institutional development and

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coordination, the direction in which national and international trade developed in those countries would not have to be corrected later.

23. The work done by the regional commissions to harmonize regional norms and regulations had set standards for changes and improvements in the market practices used by the countries with economies in transition. That had in turn contributed to the creation of a business climate of credibility, productivity and transparency which had encouraged direct foreign investment in those countries.

24. In order to successfully integrate themselves into the world economy, the countries with economies in transition needed access to markets, trade with developed and developing countries and technical assistance with respect to capacity-building.

25. The delegations of Estonia, Latvia and Lithuania looked forward to consideration of the report of the Secretary-General on An Agenda for Development and the latter's potentially positive impact on the integration of the economies in transition into the world economy. They viewed the work of the World Trade Organization (WTO) as an important means of establishing a fair and transparent framework for trade among all countries.

26. Miss ULLOA (Ecuador) said that the United Nations Conference on Human Settlements (Habitat II) was extremely important, since it had a bearing on such problems as poverty, environmental degradation, unemployment, lack of education and the massive exodus from rural to urban areas, which affected both developed and developing countries.

27. The Preparatory Committee for the Conference would be holding a second session in Nairobi in April 1995 to undertake such important tasks as revising the plan of action on the basis of the national reports and plans of action submitted by Member States.

28. It was therefore essential that States prepare their reports by setting up national committees representing a broad cross section of society, so as to come up with practical ideas and solutions for human settlements problems. National reports should reflect socio-economic conditions accurately and objectively, on the basis of the relevant indicators. Her delegation supported the convening of a short third session of the Preparatory Committee in New York.

29. In order for the Conference to attain its objectives, international cooperation should be strengthened through the provision of adequate financial and technological resources to enable the developing countries in particular to carry out activities related to the Conference. Her delegation was concerned that while a budget of $1.7 million had been allocated to Habitat I 20 years previously, only $1.2 million had been assigned to Habitat II. The Conference secretariat should be allocated immediately, from the United Nations regular budget sufficient resources to step up its activities. The United Nations group of experts that had assisted with preparations for Habitat I should also be reconstituted to assist the current Conference. Her delegation endorsed the statements made by the Group of 77 and the Rio Group on that issue.

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30. Mr. SUCHARIPA (Austria) said that the eradication of poverty was indispensable for sustainable development and that the importance attached to it by the international community had been demonstrated by General Assembly resolution 47/92 on the convening of a World Summit for Social Development, which had identified the alleviation and reduction of poverty as one of the core issues to be addressed by the Summit.

31. Austria concentrated its cooperation activities in that area on the human being, with particular emphasis on the least developed countries, while giving priority to bilateral and multilateral cooperation aimed at achieving collective participation in production and the socially equitable distribution of its benefits.

32. Poverty was a relative concept which manifested itself differently in varying social and cultural contexts. It would therefore be useful to have a common international understanding as to what was meant by "extreme poverty" or "overall or widespread poverty". Such a definition could be developed on the basis of gender-disaggregated indicators such as nutritional situation of the population, availability of safe drinking water and sanitation, general health, infant mortality, maternal mortality and morbidity, life expectancy and literacy. Such a universally agreed concept would have a strong operational dimension.

33. The results of the Uruguay Round of Multilateral Trade Negotiations would improve trade opportunities, stimulate growth and increase employment. They would also create a more stable framework for the conduct of international trade providing, in many areas, for more favourable treatment for developing and least developed countries.

34. Environmental problems had an impact on trade and underlined the necessity for an international dialogue on trade and environment. Substantive measures should be adopted to address the needs of all countries and enhance the positive interaction between trade and environmental measures in order to promote sustainable development. Austria fully endorsed the balanced work programme for the Committee on Trade and Environment of the future World Trade Organization. It also looked forward to the work of UNCTAD on trade, environment and development, which was scheduled to begin on 28 November 1994.

35. Austria wished to refer particularly to the need for harmonization of international trade law, a task currently being performed in a most satisfactory manner by the United Nations Commission on International Trade Law (UNCITRAL). That process was of particular importance for States in transition to a market-based economy, for the complexities of modern legal regulations in that area required training and technical assistance. His delegation appreciated the programme of regional and national seminars organized by the Secretariat.

36. Austria took note of the report of the Director-General of the United Nations Industrial Development Organization (UNIDO) (A/49/347) and observed that UNIDO had undertaken substantial reforms and courageous measures. Austria believed that UNIDO would need a strong and committed team to support the

Director-General, and it appealed to the member States of UNIDO to pay their pledged contributions in full and in good time.

37. His Government was strongly committed to the preparatory process for the United Nations Conference on Human Settlements (Habitat II) and was in the process of establishing a national preparatory committee for Habitat II, one of whose principal tasks would be to prepare a national report for the Conference.

38. Mr. CHANTHAVILAY (Lao People's Democratic Republic) said that his country fully supported the statement made by Algeria on 8 November 1994 on behalf of the Group of 77 and China.

39. Constructive dialogue between the countries of North and South would help to strengthen international cooperation for development. An important theme to be examined in that dialogue was the promotion of international trade in the interest of all countries, irrespective of their level of development.

40. While his delegation hoped that the new World Trade Organization (WTO) would be more transparent, non-discriminatory, equitable and more secure, it was concerned that the least developed countries would be negatively affected in the short term by the provisions of the Agreement establishing WTO. It called upon the international community to provide the necessary cooperation to ensure that those countries would benefit from the implementation of the Agreement.

41. Another source of concern was the limited progress achieved in the implementation of the Programme of Action for the Least Developed Countries for the 1990s. The high-level intergovernmental meeting to conduct a mid-term global review of the implementation of that Programme, to be held in 1995, would provide an important opportunity for the world community to take new measures with a view to reactivating and accelerating the growth and development of the least developed countries.

42. His country had welcomed the adoption of General Assembly resolution 47/196 proclaiming 17 October as the International Day for the Eradication of Poverty. It also attached paramount importance to the World Summit for Social Development, to be held in 1995. The Summit would provide a great opportunity for the international community to reaffirm its political commitment to the eradication of poverty in developing countries, particularly the least developed countries.

43. Despite the achievements made as a result of the substantive reforms initiated in 1986, his country still confronted problems such as poverty, illiteracy and an inadequate socio-economic infrastructure. The Government hoped that it would receive continued assistance from the international community in its efforts to achieve the goals of its socio-economic development strategy to the year 2000.

44. Mr. CENCEN (Slovenia) said that regional integration was positive if conceived as a stage prior to the establishment of a multilateral trading system, for it brought an expansion of trade provided that protectionism and closed trading blocs were avoided.

45. The conclusion of the Uruguay Round was of exceptional importance to global trade, and Slovenia welcomed the agreements reached at Marrakesh. The liberalization of access to international markets was a prerequisite for the successful implementation of the market economy system. As a WTO member, Slovenia would strive to find and implement new mechanisms for the liberalization of global trade, since the free movement of goods would benefit all countries.

46. After Slovenia had achieved macroeconomic stability, the Government had begun to consider various strategies for further structural transformation of the country's economy, integration of Slovenia into regional structures and the establishment of long-term development priorities.

47. The term "countries in transition" was not always used aptly. It sometimes gave the impression that it applied to a homogeneous group of countries which were in fact very different. Some countries with centrally planned economies had introduced market economy systems relatively quickly and successfully and had achieved macroeconomic stability, proving that the transition process could be relatively short and did not necessarily require a large infusion of external resources. When speaking of "countries in transition" or "economies in transition", one must keep in mind the individual identity of each of those countries and economies, otherwise the term might become a stereotype and be used for political rather than economic purposes.

48. The World Summit for Social Development, to be held in 1995, would provide an opportunity to reflect on all social aspects of development. All international actors, including the Bretton Woods institutions, should take an active part in the preparations for the Summit and in the Summit itself. The criteria for assessing actual progress and development must be better suited to actual needs and should express the interrelationship between economic and social development. They should be transparent, interdisciplinary and free of political, ethnic, racial and other prejudices.

49. Mr. TASEER (Pakistan) said that the unfortunate shift by industrialized countries towards defensive trade policies over the past decade had been to the detriment of the developing countries. While many developing countries had liberalized their trade regimes, sometimes at great social, political and economic cost, the champions of free trade had raised their tariff and non-tariff barriers. The World Bank had estimated that trade barriers cost the developing countries a very high price in forgone annual income, equivalent to twice the annual assistance received from the Organisation for Economic Cooperation and Development (OECD) and twice the total annual interest paid by the developing countries on their public external debt.

50. It had been hoped that with the conclusion of the Uruguay Round, protectionism in all its manifestations would diminish. Discussions in WTO, however, appeared to signal a new brand of protectionism under the garb of protection of the environment or promotion of the rights of workers in developing countries.

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51. Although the results of the Uruguay Round had been partial and unsatisfactory for developing countries, Pakistan welcomed the conclusion of the Uruguay Round negotiations. The provisions of the agreements reached should enable the smaller countries to resist unilateral and discriminatory trade measures.

52. Over the past few years, there had been an increasing tendency towards regionalization. No regional agreement, however, could yield its full benefits without a strengthened multilateral trading system that eliminated unilateral and discriminatory restrictions on trade, especially against developing countries.

53. Pakistan's commitment to the objectives of a universally beneficial global economy was incorporated in its national trade policy, the hallmark of which was the liberalization of trade and investment. Pakistan stood at the crossroads of South Asia, Central Asia, China and the Gulf and wished to provide a link between the security and cooperation structures in those adjacent regions of Asia.

54. Mr. REPISHTI (Albania) said that the transition of a centralized economy into a market economy was Albania's absolute priority. Albania's economic programme was based on price liberalization, the full opening of its economy to the whole world, macroeconomic stabilization, institutional and legislative reform, privatization of enterprises and their integration into the market, and the social protection of the most affected groups of the population.

55. Privatization had led to an 11-per-cent increase in Albania's gross domestic product (GDP). In 1994, Albania's GDP was expected to increase by 5 to 8 per cent. The liberalization of trade, prices and services had transformed the market and promoted production and investment.

56. An important aspect of Albania's integration into the world economy was the implementation of different programmes of the European Union with non-member countries, especially with former socialist countries.

57. The Department for Development Support and Management Services and the Department for Economic and Social Information and Policy Analysis, which were participating in the activities referred to in General Assembly resolution 48/181 of 21 December 1993, must better orient their activities as executive agencies to support the development efforts of countries with economies in transition. The objective of Albania's cooperation with the Department for Development Support and Management Services was to speed up the establishment of institutions and develop human resources through cooperation in the fields of development planning, infrastructure, social and economic development and public and financial administration.

58. Mr. NKAMBULE (Swaziland) said that his country attached great importance to industrial development because the manufacturing sector was the most important sector in terms of its contribution to the country's GDP. With the co-financing of UNIDO and the participation of the private sector, Swaziland was finalizing

its first industrial policy and strategy, which was an integral part of its National Development Strategy, a national exercise financed by UNDP.

59. Swaziland had completed drafting its first investment code. The code and the industrial policy and strategy would promote industrial development and allay fears of prospective foreign investors, facilitating foreign direct investment.

60. The Government was implementing projects to rehabilitate and upgrade the infrastructure of its industrial parks and develop new ones with a view to promoting the growth of small and medium-sized enterprises and implementing its national programme for the Second Industrial Development Decade for Africa.

61. Mr. NGO QUANG XUAN (Viet Nam) said that, with its adoption of its resolutions S-18/3 of 1 May 1990 and 45/199 of 21 December 1990, the General Assembly had reaffirmed its commitment to development and international cooperation. His delegation shared the view of the international community that a global approach was required to achieve sustained world economic growth and the revitalization of development. The Earth Summit and the adoption of Agenda 21 in 1992 had furthered the priority aspects of the strategy.

62. The Uruguay Round had ended and it was very important that the final agreement should be ratified and implemented in ways that would promote sustainable development in the developing countries. The World Summit for Social Development, which would be held in 1995, should formulate a plan of action with clear objectives and genuine commitments from the international community, especially the highly industrialized countries, to assist developing countries in implementing the follow-up activities and increase international cooperation in advancing social and economic development on the basis of equality and mutual benefit.

63. In its transition to a market economy and its efforts to integrate itself in the international community, Viet Nam had achieved positive results and would cooperate with other countries and international institutions with a view to mobilizing external resources for the cause of sustainable development.

64. By the year 2000, Viet Nam planned to attain an average GDP growth rate of 9 to 10 per cent; improve the financial system and budget structure to secure domestic revenue sufficient to cover recurrent expenditures and increase the savings rate to 10 per cent of GDP; increase export value at an average rate of 25 per cent; increase investment to develop industry, agriculture, tourism and services through the implementation of policies to attract foreign direct investment; establish joint ventures with foreign partners; make effective use of official development assistance (ODA); and increase investment in environmental protection to ensure sustainable development.

65. Mr. JABBARY (Islamic Republic of Iran) said that, in spite of some promising signs, such as efforts to achieve global and regional integration, the gap between developed and developing countries continued to widen. His delegation had hoped that the conclusion of the Uruguay Round would increase third world access to world markets; however, the introduction of new forms of

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protectionism deprived developing countries of their comparative advantages in some areas of trade.

66. The developed countries had not faced such obstacles at the beginning of their path to industrialization. The establishment of appropriate mechanisms to monitor the implementation of the Uruguay Round agreements in order to ensure that the World Trade Organization (WTO) would contribute to a rule-based, predictable and non-discriminatory global trade system was imperative. Such measures would help build a favourable international economic environment and encourage the developing countries to participate actively in such forums.

67. The Uruguay Round agreements would have major implications for international cooperation. The effective implementation of the provisions of the agreements, particularly special and preferential treatment for the developing countries, would enable them to benefit from the liberalization of the market for goods and services. If not, the already bad situation with regard to the insufficient food production and the weak trend of technological advancement would worsen.

68. His delegation shared the conclusions of the report of the Trade and Development Board (A/49/15, vol. I) regarding the important role of UNCTAD in the international trading system, inter alia, through technical cooperation that took into account the special interests of developing countries. Expanded technical assistance was needed to enable the developing countries to derive real benefits from the Uruguay Round agreements.

69. With regard to the sub-item on commodities (A/49/226), his delegation took note of the introduction by UNCTAD of the new concept of linkages in the context of development and diversification. As noted in the same document, the general and long-term downward trend in the real prices for commodities, combined with a narrow basis for economic growth, raised concerns about the economic prospects for many developing countries. Diversification of commodities would reduce to some extent the vulnerability of many developing countries to fluctuations in commodity prices in international markets.

70. The eradication of poverty was one of the most important tasks of the current generation. His delegation had pointed out on various occasions that only the creation of practical mechanisms to implement the huge number of resolutions and plans of action could solve that distressing world situation.

71. Mr. MOJOUKHOV (Belarus) said that his country was particularly interested in fully integrating its economy into the world economic system. Document A/49/330 was the first detailed analysis of the conditions needed for such integration and a significant attempt to analyse the information available to the United Nations system on the actual status of the process in Central and Eastern Europe. The next report of the Secretary-General might contain another chapter giving the replies of the Governments of the countries with transition economies regarding their efforts towards integration into the world economy. That would permit a more in-depth study of the special needs of each such country, which was at a different stage in the transition period.

72. Other speakers had brought out the fact that the process of disintegration in the countries with transition economies was giving way to a trend towards subregional integration and intraregional cooperation, based on the principles of market competition and more liberal and democratic trade, financial, technical and scientific relations, and that the industrialized countries' support for their gradual integration into a multilateral system had not yet produced the desired results. Of particular significance was the assurance given by the German delegation on behalf of the European Union that it would continue supporting the process of reform in Central and Eastern Europe and in the newly independent States by providing technical and financial assistance under the United Nations system and also by opening up its markets.

73. Many economies in transition would be dependent for a long time on support from the international community for their reform programmes. The discussions within the United Nations could be directed towards developing, broadening and strengthening mutually advantageous cooperation among the developing countries and the countries with transition economies with the support of the developed countries.

74. The relationship between the less developed and the developed countries was not restricted to recipient-donor link. International assistance must be interpreted more broadly to allow the transition economies to become integrated into an open multilateral trade system. Belarus, together with the countries of Central and Eastern Europe and the members of the Commonwealth of Independent States (CIS), urged the General Assembly to adopt a universally applicable resolution on international trade. In addition, Belarus favoured a more balanced resolution on sustainable development and the environment.

75. Solutions must be found to the problems attendant upon the trade, economic and financial relations of the transition economies with their traditional trading partners, especially the low trading value in the European market of the few goods those countries were currently able to export, the need to increase their currency reserves and the reduction of their external debt. The transition economies therefore hoped that the UNCTAD Ad Hoc Working Group on Trading Opportunities in the New International Trading Context would speedily fulfil its mandate.

76. The consensus decision adopted the previous year on the integration of the economies in transition into the world economy reflected a new approach to the question. Hence the appeal made by the delegation of Indonesia to reopen dialogue on cooperation for development so that the interests of the various nations could complement each other in a mutually advantageous way. His delegation had been involved in the Second Committee negotiations on the possible incorporation of that concept in draft resolutions, to help the transition economies themselves play a greater part in solving their own problems without prejudicing the interests of other developing countries.

[illegible]
development of the transition economies. [illegible]
Russian Federation's initiative of holding an international conference on
[illegible]

78. *Mr. AYEWAH* (Nigeria) said that his country endorsed the statement made on 8 November 1994 by Algeria on behalf of the Group of 77 and China.

79. While it believed that every nation had a responsibility to solve its own human settlements problem, Nigeria appealed for international assistance in improving the deteriorating living and housing conditions that were particularly prevalent in the developing countries. Such support was crucial if the objectives of Habitat II were to be achieved.

80. In order to meet the goal of environmentally sustainable and equitable industrial development set by UNIDO, investments must be promoted, technology transferred, human resources developed and a favourable environment created, both nationally and internationally. Conditions in Africa had not made those goals feasible. However, in accordance with the Yaoundé Declaration, UNIDO hoped to accord high priority to the industrialization of Africa and the realization of the objectives of the Second Industrial Development Decade for Africa. It was urgent to take steps to transform that hope into a reality. One such step was the important collaboration of UNIDO with financial institutions within and outside of Africa and with United Nations agencies, especially UNDP, which had thus far proved to be an effective agency for development.

81. *Mr. Raichev (Bulgaria) took the Chair.*

82. *Mr. TOURE* (Mali) said that his delegation endorsed the statement by Algeria expressing the concerns of the Group of 77 and China.

83. Mali welcomed the praiseworthy efforts the third-world countries as a group had made to increase their agricultural production by 17 per cent in 1993, although in Africa the rate of agricultural growth was barely 2 per cent.

84. The reduction of official development assistance to agriculture jeopardized the implementation of agricultural reform programmes in the African countries, which depended heavily on food imports.

85. The international community must help the African countries to enhance the value of their commodities, their prime source of export income, by providing investment, technology and technical and commercial know-how. The discussion begun at the previous session on the establishment of a diversification fund for Africa's commodities ought to be successfully concluded at the current session. The adoption of the Final Act of the Uruguay Round and the establishment of the World Trade Organization made it imperative to diversify African commodities.

86. Although those developments were favourable to the liberalization of international trade, they also were a source of legitimate concern to the developing countries in general and African countries in particular, the Marrakesh agreement being especially detrimental to the latter. For the African countries to overcome their disadvantages in the new international trading [illegible] the international [illegible]

87. The High-level Intergovernmental Meeting on the Global Mid-term Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s merited the international community's special attention. It was essential to mobilize adequate funds both under the regular budget of the United Nations and from extrabudgetary sources, in order to facilitate national and regional preparations for the Meeting and the participation of the least developed countries.

88. Mali looked forward to the convening of the World Summit for Social Development and welcomed the arrangements made for the observance of the International Day for the Eradication of Poverty and the International Year for the Eradication of Poverty.

The meeting rose at 6 p.m.

UNITED NATIONS
General Assembly
FORTY-NINTH SESSION
Official Records

SECOND COMMITTEE
26th meeting
held on
Tuesday, 15 November 1994
at 6 p.m.
New York

SUMMARY RECORD OF THE 26th MEETING

Chairman: Mr. RAICHEV (Vice-Chairman) (Bulgaria)

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In the absence of Mr. Khan (Pakistan), Mr. Raichev (Bulgaria), Vice-Chairman, took the Chair.

The meeting was called to order at 6 p.m.

AGENDA ITEM 88: SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued) (A/49/204-E/1994/90, A/49/205-E/1994/91, A/49/229, A/49/256, A/49/307, A/49/378, A/49/381, A/49/395, A/49/412-S/1994/1078, A/49/422-S/1994/1086, A/49/424 and Add.1, A/49/479, A/49/493-S/1994/1142, A/49/506, A/49/541, A/49/542)

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(h) INTERNATIONAL COOPERATION FOR THE ERADICATION OF POVERTY IN DEVELOPING COUNTRIES (continued) (A/49/572)

(i) UNITED NATIONS INITIATIVE ON OPPORTUNITY AND PARTICIPATION (continued) (A/49/287-S/1994/894 and Corr.1, A/49/541)

1. Mr. GUERRERO (Philippines) said that the international community continued to face the same problems of development as in the past. While the conclusion of the Uruguay Round of multilateral trade negotiations was a welcome development, there were signs that it was the developed and the more aggressive developing countries which stood to benefit most from the new agreements. The powerful continued to apply various protectionist measures while numerous conditions were imposed on the trade of the developing countries. Despite recent improvements, long-term projections of the prices of commodities from the developing countries were unfavourable. Many countries, particularly in Africa, were still haunted by the threat of famine, while industrialization remained a dream for most of them.

2. One might therefore conclude that economic and developmental problems would continue to exist for a very long time. History showed that conclusion was more

realistic than pessimistic. What was important, therefore, was to address the specific problems of the day and to seek solutions that were both available and acceptable at the time.

3. That was the task in which the United Nations was currently engaged. The note by the Secretary-General entitled "Renewal of the dialogue on strengthening international economic cooperation for development through partnership" (A/49/542) marked an important contribution to the debate on that issue. The note followed the changes in national and global concerns and interests over the years, the interplay of those interests, the emergence of new actors and the evolution of the concept of partnership in achieving international goals. It was important to continue dialogue and consensus-building, taking into consideration the links between peace and security on the one hand and prosperity and development on the other, and between political, economic and social concerns. Dialogue emphasized the fact that human beings were the key participants in and the principal beneficiaries of economic growth and development.

4. Dialogue must, however, be accompanied by a determined effort to enable people throughout the world to pursue their development more efficiently, to become more self-reliant and competitive without losing their appreciation of interdependent activity, and to face the world intelligently, realistically and with honour and dignity. Finally, dialogue should generate the political will to make improvements wherever possible in order to ensure a suitable quality of life for all peoples.

5. Mr. FARHADI (Afghanistan) said that the plight of certain least developed countries was further complicated by natural and man-made disasters, including war. The dimension of war, which was present not only in Afghanistan but also in other countries of Asia and Africa, was a new and unfortunate aspect of underdevelopment in the final years of the twentieth century.

6. Afghanistan was particularly interested in the current efforts of the international community to address the needs and problems of the newly independent and developing land-locked States in Central Asia and their transit developing neighbours. General Assembly resolution 48/170 had recognized the need to improve the efficiency of the current transit environment in those countries, and the Secretary-General's report on the subject (A/49/277) contained an assessment of the current situation and proposals for future action. That report, however, represented a first approximation only towards a fuller elaboration of more concrete programmes of action for dealing with the issues.

7. As both a land-locked and a transit country, Afghanistan supported the recommendations of the Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions on priority areas and modalities for further action to improve transit systems in land-locked and transit developing countries. The lack of territorial access to the sea, aggravated by remoteness and isolation from world markets, and prohibitive transit costs and risks

imposed serious constraints on the overall socio-economic development efforts of those countries, whose access to world markets was dependent on the establishment of a multi-country transit system. Given that most transit countries were themselves developing countries facing serious economic problems, including the lack of adequate infrastructure in the transport sector, international support for both developing land-locked States in Central Asia and their transit developing neighbours must be strengthened.

8. In that regard, bilateral cooperative arrangements and regional and subregional cooperation and integration had a vital role to play. It was particularly important to elaborate a programme for improving the efficiency of the current transit system, including better coordination between railway and road transport in the newly independent and developing land-locked States in Central Asia and their transit developing neighbours. The Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) and the Administrator of the United Nations Development Programme (UNDP) should therefore continue to evaluate the transit systems of the Central Asian countries, especially the shortest access routes to the south, by undertaking studies of corridor proposals for submission to the General Assembly at its fiftieth session.

9. Donor countries and multilateral financial and development institutions should also provide land-locked and transit developing countries with appropriate financial and technical assistance in the form of grants or concessional loans for the construction, maintenance and improvement of their transport, storage and other transit-related facilities, including alternative routes and improved communications.

10. In addition, the Secretary-General of UNCTAD, in collaboration with the Administrator of UNDP and the Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP), should undertake studies in the following areas: harmonization of payment systems for transit services; identification of administrative, institutional and commercial barriers to transit, including the improvement of transit management systems; elaboration of a legal, administrative, institutional and regulatory framework to govern transit operations, with particular emphasis on multilateral and bilateral transit agreements; and replacement of existing transit agreements and bilateral arrangements by new ones, in conformity with the current requirements of the transit trade in the land-locked and transit countries concerned.

11. It would also be useful for the Secretary-General of UNCTAD, in collaboration with the Executive Secretary of ESCAP and the executive heads of other relevant regional organizations, to organize a regional symposium in 1996 for the newly independent and developing land-locked States in Central Asia and the transit developing countries to evaluate the results of the suggested corridor studies and to agree on an appropriate follow-up programme of action.

12. Afghanistan welcomed the establishment of the World Trade Organization (WTO), although its full participation in that body would depend on receipt of the appropriate technical assistance from international agencies.

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13. With regard to the United Nations Conference on Human Settlements (Habitat II), he wished to propose that the question of the reconstruction of human settlements destroyed by war should be included in the Conference agenda.

14. Mr. HONG Je Ryong (Democratic People's Republic of Korea) endorsed the statement made on agenda item 88 by the representative of Algeria on behalf of the Group of 77 and China. Turning to item 88 (h), he noted that more than 1 billion human beings lived in extreme poverty, more than 500 million suffered from malnutrition, and 6 million children in developing countries died each year as a result of both. Meanwhile, two more Member States had recently been added to the list of least developed countries. There was no question that poverty was worsening and that there was a growing disparity between poor and rich. The international community must therefore act with urgency to create an external economic environment that promoted the efforts of the developing countries to eliminate poverty. The major responsibility in that regard fell to the developed countries.

15. In proclaiming 1996 as the International Year for the Eradication of Poverty, General Assembly resolution 48/183 had recognized how basic such a goal was to ensuring lasting peace and achieving sustainable development throughout the world. It was encouraging that an ad hoc working group within the Department for Policy Coordination and Sustainable Development had begun to prepare a programme with clear-cut objectives and actions to be taken in observance of the Year at the national, regional and international levels.

16. The World Summit for Social Development, to be held in 1995, should provide a unique opportunity to devise an effective international strategy for the elimination of poverty by the year 2000 and to adopt a programme of action specifying practicable measures to achieve that goal.

17. His Government, guided since the earliest days of the country by juche ideology, which placed people at the centre of development, had, in pursuance of that policy, introduced a number of practical social measures, including 11 years of free and compulsory education, free medical care, and free housing. It had also been providing agricultural assistance to African countries, in the spirit of South-South cooperation.

18. Mr. ALIOU (Cameroon), speaking on agenda item 88 (c), drew attention to the report of the Secretary-General of UNCTAD (A/49/226) and said that the commodity situation was extremely important for developing countries, whose economies relied essentially on the production and marketing of such products for their growth and development. The current instability of global commodity markets and the sharp drop in commodity prices was thus a source of grave concern to those countries. The hopes they had placed in the Uruguay Round had been largely disappointed. The obstacles to equitable trade flows had not been removed, inequitable terms of trade persisted, commodity prices were too low and barriers had been erected to deny products from developing countries access to world markets. Moreover, the preferential treatment traditionally given to some of the developing countries' more crucial products was threatened by a new kind of protectionism in the form of social and environmental legislation. Africa alone

had lost $2.6 billion as a result of the Uruguay Round, and its share of the world market had fallen to only 2 per cent. That, together with population growth, had caused per capita income and nutritional standards to decline.

19. The world community must therefore act to ensure sustainable development for all. It must create conditions for a free, transparent global market offering just, stable and predictable prices and it must take steps to compensate the countries most affected by the new market conditions. Developing countries must be helped to modernize their production and distribution systems, stabilize and increase their earnings and diversify their economies, particularly in the commodity sector. The proposed diversification fund for Africa's commodities was an essential step in that direction.

The meeting rose at 6.50 p.m.